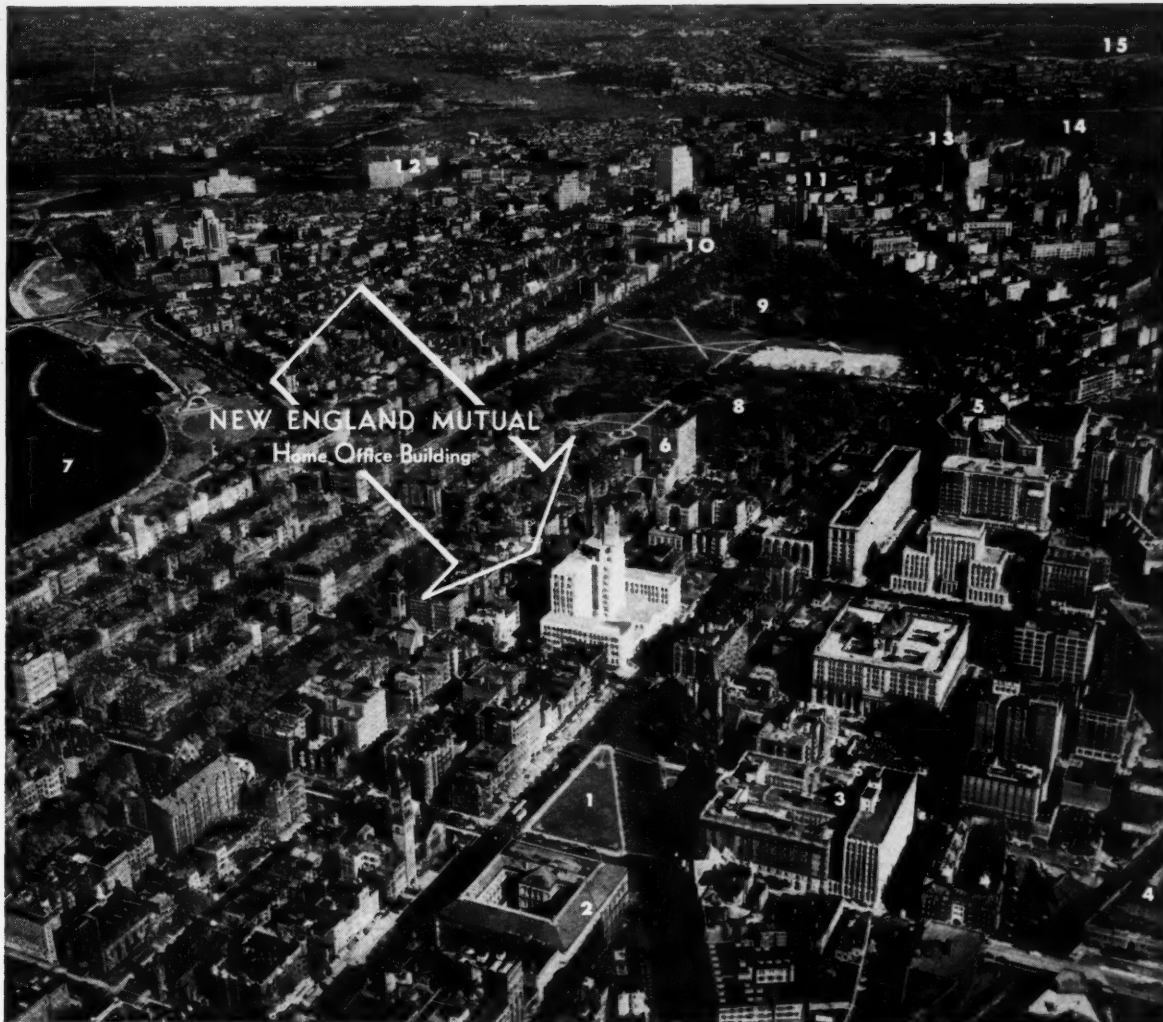


The NATIONAL UNDERWRITER

Life Insurance Edition

2

2nd CONVENTION DAILY



1. Copley Square 2. Public Library 3. Copley Plaza Hotel 4. Back Bay R. R. Station
8. Public Garden 9. Boston Common 10. State House 11. Parker House 12. No. Station

5. Hotel Statler 6. Ritz-Carlton Hotel 7. Charles River Basin
13. Custom House 14. Boston Harbor 15. E. Boston Airport

While you're seeing Boston . . .

... We hope you'll visit our home office building and see the colorful and now-famous mural paintings depicting dramatic scenes from the colonial history of New England. The building, pictured above, is conveniently located on Boylston Street at Copley Square, and you'll find the murals just inside the front door.

You may also want to take a guided tour of this modern, efficient, air-conditioned structure . . . and we are making our quiet and restful Fifth Floor Lounge available from 9 a. m. to 4:30 p. m. to weary NALU delegates and their families during the convention.

As you approach this building, we hope you'll picture a company with its roots in Boston and its branches across the nation . . . 71 general agencies from Maine to Hawaii with 1,000 full-time men who are faithfully maintaining the ideals set forth by the founders when the company was chartered 112 years ago.

New England Mutual
Life Insurance Company of Boston

George Willard Smith, President

Agencies in Principal Cities Coast to Coast

The First Mutual Life Insurance Company Chartered in America—1835

THURSDAY SEPT. 11, 1947



DOLLARS. You give me a dollar bill—I'll give you a dollar bill. What do you have? You have a dollar and I have a dollar.

IDEAS. You give me an idea—I'll give you an idea. NOW what do we have? You have two ideas—I have two ideas.

Ideas don't have a market value. Perhaps it is a good thing they don't — if they did, membership in your Life Underwriters' Association would cost at least \$100 a month.

Membership in your local Association — and through it, the National Association — is one of the cheapest and best ways of getting tested sales ideas that we know.

The long list of successful Kansas City Life agency personnel who belong to their Life Underwriters' Association, and the other list of those who have held local, state or national office, is proof of that statement.

KANSAS CITY LIFE INSURANCE CO.

KANSAS CITY



MISSOURI

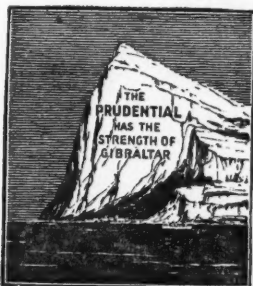
to **SERVE . . .**

TO serve your neighbors faithfully and well; to earn their respect and confidence; to know that the work you are doing is contributing to the well-being of your community and nation—there are three sound reasons for taking pride in your work.

Prudential representatives have that pride. To them, life insurance is more than a job—it is their career, their life work. Over 70% of them are members of the Prudential Old Guard, an organization of representatives who have completed more than five years with our company. More than 39% have had more than 15 years' experience helping others prepare for the future.

These years of experience mean that recommendations to clients are tempered by considered judgment, through knowledge, and a keen understanding and appreciation of what life insurance can do.

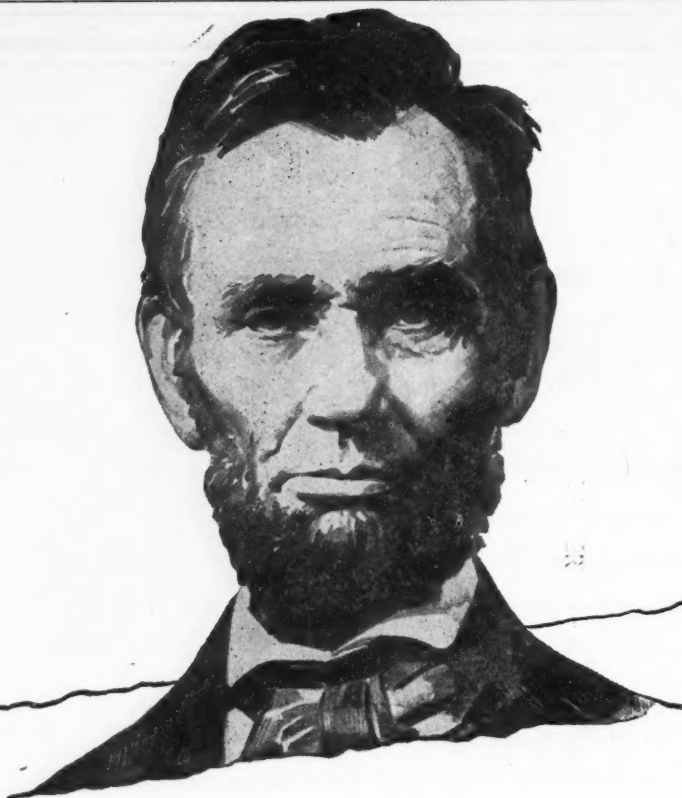
We are proud of our representatives, and will continue in the future, as in the past, to aid them in every way . . . the better to serve.



THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

A MUTUAL LIFE INSURANCE COMPANY

HOME OFFICE NEWARK, N. J.



BROAD INSURANCE COVERAGE

Nonparticipating Insurance
Participating Insurance
Group Life
Group Accident & Sickness
Group Hospital Expense
Group Surgical Expense
Group Retirement Plans

Juvenile Insurance
Special Low Cost Plans
Income-for-Family Plans
Retirement Plans
Mortgage Redemption
Complete Sub-Standard Service
Wide Age Range

LNL Is Geared to Help Its Field Men

Attractive General Agency Opportunities Still Available

The Lincoln National

Ft. Wayne



Life Insurance Company

Indiana



Greetings to the National Association of Life Underwriters

WE OFFER

NON-CANCELLABLE and GUARANTEED RENEW-
ABLE disability income insurance that covers the
ENTIRE PHYSICAL HAZARD . . . not accident only,
nor does it exclude certain types of sickness. It provides
FULL coverage. This is ONE of the good reasons why
so many life underwriters protect their clients under our
policies.

MASSACHUSETTS INDEMNITY INSURANCE COMPANY

Boston - Massachusetts

"Look up our office in your locality"

*First!

**First in Flexibility
of its Personal
Protection Policies*



**Occidental
Life**

INSURANCE COMPANY OF CALIFORNIA
HOME OFFICE ★ LOS ANGELES

V. H. JENKINS, Senior Vice President



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Triple Play Session for Second Day

Put Life Insurance Selling on Business Basis: Kaufman

Proper Balance for Factors Of Management, Capital And Labor Urged

The necessity for putting the selling of life insurance on a business basis was stressed by Dan. A. Kaufman, Northwestern Mutual Life, Indianapolis, at the national sales seminar, Thursday morning, Mr. Kaufman wrote \$1 million last year and has more than \$11 million cinched for this year, but only after quite a wide variety of experiences and making what was really his



D. A. Kaufman

Following his graduation from college, he went around the world as an ordinary seaman on a "glorified freighter," then entered life insurance but wasn't too successful at it, and after a year and a half accepted an offer from one of his insurance contacts to merchandise intangibles. In less than a year he discovered that business wasn't all it was cracked up to be and returned to life insurance, third start in life insurance.

Went to Strange City

In February 1938 he decided to plunge all out for the life insurance business. He elected a strange city where he would not be able to call on friends. That proved to be an excellent stimulant. He acquired a long-run prospectus which was also a very healthy frame of mind for this business, and more important, he acquired family responsibilities. For 3½ years, fair progress resulted—and then the war clipped off 3½ years of production. One good result of that experience was to observe how few can accept and allocate responsibility.

Back of his third start lay a mess of trial and error experience, "and there was no way out but up. While his career has not been an orderly pattern of progress, he suggested that he might have some suggestions as a result of it to pass along to others.

Must Balance Three Factors

He listed three normal factors which must be held in proper relative balance for any productive enterprise to grind out profits: (1) management, "and in our line it takes plenty"; (2) capital, and that it does require some cannot be denied; (3) labor, and you can't get along without it."

As these factors relate to life insurance, he said the proper balance of the three fundamentals is a relative thing and geared to the individual agent. The talent and capacity to absorb—productive energy—scope of personal imagination—these attributes are governing and impose real limitations on the judicious use of capital in his business operation.

Recognizing these limitations, a proper allowance should be made to cover both fixed capital and working capital requirements. Just as the proprietor of a grocery store has fixed capital tied up in fixtures, average inventory, etc., the agent requires a certain amount of fixed capital for desks, typewriter, time-saving devices, files, etc. This



R. B. Pitcher, Boston, J. R. Roby, Mansfield, O.; Nathan Paulus, Lafayette, Ind.; Oscar Carlin, Columbus, O., all of John Hancock Mutual; Albert Bradley, executive vice-president of General Motors; Paul F. Clark, president of John Hancock

Mutual; Anthony Peters, John Hancock, Utica; A. N. Guertin, actuary American Life Convention; George Plante, Cleveland, and William Mountcastle, Honolulu, both of John Hancock Mutual, at Million Dollars Round Table Meeting.

portion of the capital requirement is relatively small.

Just as the proprietor of a business or any proprietorship needs working capital to handle seasonal fluctuations in inventory, payroll, temporary losses, etc., an agent requires the same type of funds for several basic needs: (1) A regular stipend for family living expense and maintenance is essential and must be met on time. (2) A flow of cash for business needs, including personal business expense and appropriations for advertising and promotion, must be at hand. (3) A contingency reserve to fill in the gaps of non-productive periods.

This latter fund, Mr. Kaufman believes, should be never less than sufficient to cover full operating expense requirements for three months in advance without consideration for new work commissions anticipated. The capitalization of any business which doesn't guarantee three months' operation without the benefit of current income is a sadly financed project. He considers this point is a key to the biggest mental problem faced by any man in the business whose experience is relatively limited.

Check Assets and Liabilities

Periodically, assets and liabilities should be stacked one against the other. The capital and surplus account of the average agent includes: (1) Cash on hand and in the bank; (2) equity in a home; (3) commuted value of deferred and renewal commissions; (4) securities and cash values of his personal insurance; (5) pension account with the company; (6) inventory of potential business; (7) capitalization of his human life value.

"There is both a tangible and intangible future commission interest in your prospect file—tangible in the sense that you have your percentage chance of writing the \$10,000, \$20,000, or \$100,000 worth of business you appraise your prospect as worth in the seeable future. The collective valuation of these appraisals, discounted by the fact that your competitors may cut into your inventory claims,—and some of them may not materialize at all—is a big asset to any new man in the business, a bigger asset certainly than new work commissions. The profits of today are the fruits of yesterday's toil, and the spade-work done

today will reflect itself in future profits in the main.

"The intangible value of your potential business inventory is a result of unexpected references and windfall cases that occur as a normal result of just being in business and circulating where there is money. It happens to all of us sooner or later, and we ultimately put money in the bank because of it. Let me stress that this asset item is worthy of emphasis and a great source of satisfaction.

"The other item is a subject that is generally overlooked. An individual who has been educated and reared to maturity represents an investment of thousands of dollars. This asset is reflected in personality, perseverance, energy, capacity and all the other traits which were developed before they could be applied profitably to the soulless mechanics of a business operation.

On the second factor of production which involves management, naturally, a time control is needed on productive energy and consider it a necessary evil subject to conscientious neglect, but Mr. Kaufman said it is possible to call time value so closely that life becomes a time clock.

Keen attention must be given to grading up potential buyers. "Call on people who can afford to pay the price. The farmer looks to the elements of sunshine, fertilizer and water to work on the seed he sows. In a sense, we do the same thing with the sunshine of personality—fertilizing with advertising and watering with our thought as the seed requires.

"Many things we do automatically in the line of study and self-improvement—keeping mentally flexible and developing skill instead of boiler pressure. By staying in line with the quality philosophy, we look for high-grade business only.

"The third factor of any productive business is labor. Professional talents deserve a fee for knowledge, background and experience and not a stipend for man hours delivered. Our big problem herein is to multiply the value of our time by using its greatest productive power. Time worth \$5 per hour should not be spent on clerical routine. Hire and train office help as long as their time is cheaper than yours and is employed in turning out work (Continued on page 36)

Sales Seminar, Managers, Women Meet at Same Time

Strong Programs Presented at Each Session—Much Interest in Election Situation

The second day of the Boston convention of the National Assn. of Life Underwriters took on the character of a three-ring circus, with the national sales seminar, which was supposed to be primarily for producers; the general agents and managers section and the women underwriters section in session simultaneously. At the same time the American Society of C.L.U. was holding a round table forum conference on chapter administration.

Greater interest, of course, was in the sales seminar and, as was the case last year when the first such session was held, attendance equaled if it did not exceed that at the regular convention sessions. With John P. Costello, a big producer for Southwestern Life at Dallas and an N.A.L.U. trustee, presiding, five top-notch producers from all parts of the country told of plans which have helped them to establish their high production records.

Charles J. King, Mutual Benefit Life, Kansas City, told how to develop characteristics and mental attitude essential to success, stressing healthy dissatisfaction with one's work habits and methods, interest in people and their problems, being direct and to the point, an optimistic attitude and continued follow-through. He showed how the various points he mentioned affect the prospect and the selling process.

Richard E. Evans, Massachusetts Mutual Life, Los Angeles, told of the necessity for viewing things from the right angle, starting with the new man just entering the business and stressing that there are certain things that he must not learn his first year. He analyzed four elements in successful selling—sales efficiency, the time element, the market and the competitive element—and told how the formula he presented can be used in trouble-shooting.

Dan A. Kaufman, Northwestern Mutual Life, Indianapolis, said it is necessary to put life insurance selling on a business basis, taking up the three normal factors of management, capital and labor, which are essentials to profit in any productive business enterprise; showing how they can be held in proper balance in the life insurance agent's work and the difficulties which will arise if such a balance is not maintained.

P. M. Mucci, Metropolitan Life, Paterson, N. J., never leaves anyone he meets long in doubt as to what business he is in. "I'm in the insurance business," he tells people as soon as he meets them. He believes many insurance men are too "mousy" about letting new acquaintances know their calling, that they make prospecting and the approach too complicated when maybe all they need to do is to let people know "in a nice way" that we're in the insurance business.

Betha Presides Over Managers

Osborne Betha, Penn Mutual, New York, chairman of the general agents and managers section, presided at its meeting. H. Fred Monley, editor of "Managers' Magazine," presented the award for the best article in that magazine (Continued on page 46)

Leaders Give Ideas at Sales Seminar

Ramsey Describes Five Buoys for Life Agent

Gives Theory and Realism of Selling in Seminar Address

Lloyd Ramsey, State Mutual Life, Memphis, in his talk at the national sales seminar



Lloyd Ramsey

Thursday morning, defined life insurance selling as a "process whereby an agent seeks out people in whom he can create a desire to secure an intangible product and can motivate into consummating the purchase, for which the agent receives a commission on the price paid by the purchaser." Interpreting his lengthy statement, Mr. Ramsey led off with a story of his own experience while boating on the Mississippi and applied it to his experiences in life insurance selling.

He commented on the five principal parts of his definition and told how they apply as fundamentals for the agent. Those parts are: Commission compensation, creative and service selling, intangibles, motivation, and seeking out people, and he compared them with buoys on the Mississippi River channel as the guides that keep the agent on the right track.

Relates Own Experience

"Within 18 months after leaving college, he related, I had parlayed three successive employment experiences that developed in me an aversion for working on a straight salary basis. Having no capital or credit and little experience, I was forced into commission selling.

"In 1932, anyone on a commission basis was called upon by his friends to explain why he was not on relief or drawing a salary. Of necessity, I built a defense for justifying my position. I even convinced myself of the desirability of commission compensation.

"In 15 years I have not seriously considered a proposition that involved,

Lloyd Ramsey entered the retail selling field in 1932 with a household appliance concern following his graduation from Vanderbilt University. In 1941 he resigned as sales manager of that company to enter life insurance with State Mutual. His first year in the business he paid for \$152,000 on 42 lives, but two years later was producing more than \$500,000 annually. In 1945 he hit the \$1 million mark, and last year qualified for the Million Dollar Round Table. In the 12 months from July, 1945, to July, 1946, his total production exceeded \$2 million, with no pension or group business included. In writing this huge volume, he employed his specialized techniques in modified estate planning and personal programming. He led all State Mutual agents in 1946. He is a director of the Memphis association and honorary president of the Memphis Quarter Million Dollar Club by virtue of leading all club members in production for 1945 and 1946.

what I believe to be the uncertainty attached to a salaried job. For my peace of mind, the security of my family, and my own future, I prefer that my remun-

"I'm in the Life Insurance Business," Mucci Tells 'Em

Don't be mousy about your calling, advised Patrick M. Mucci, Metropolitan Life, Paterson, N.J., in his talk in the national sales seminar.



Patrick M. Mucci

Mr. Mucci's own system is to tell people as soon as he meets them that he is in the life insurance business. He pointed out that everyone is meeting people all the time.

"Now, when you meet somebody, what happens?" said Mr. Mucci. "A friend says, 'Pat, I would like to have you meet Bill Johnson. Mr. Johnson is president of the Johnson company.' I say, 'It's a great pleasure, Mr. Johnson—I am in the life insurance business, with the Metropolitan. Sorry I can't say I am president.'"

Gets Information Later

If the friend making the introduction doesn't mention the other fellow's business Mr. Mucci makes it a point later, with a little finesse, to inquire as to his business. When he obtains this information, he always says, "I am in the life insurance business, with the Metropolitan." Half the time the party of the first part will pick it up. "Glad you told me—but I am warning

len into such a definite pattern on the sales graph that a standard procedure has been developed for marketing a new item."

"I am not casting an aspersion on salaried positions. I would be stupid to attempt to defend such a disparagement, even if such were intended. However, I am of the definite opinion that, by temperament, aptitude and inclination, some people reach their ultimate in an endeavor, which, by its nature, is only adaptable to commission compensation. That I belong in such a classification, I have never seriously doubted in the past fifteen years."

Commission Plan Necessary

"It may be that some men can produce a maximum of insurance sales on a salary basis, although I doubt it. I am certain, however, that I will flounder unless I keep bright an appreciation for, plus an understanding and acceptance of, the commission method of compensation.

"Even though I assimilate the virtues of it, I may be retarded unless my wife has an understanding of the real significance of her subscribing to the principle.

"I am sure that every outstanding producer, knowingly or unknowingly, has a love for the unpredictableness of commission compensation. Certainly, no good producer ever left the field for the sole reason that his compensation was based on commission."

Mr. Ramsey then considered the creative selling buoy.

"The term 'creative selling' is shopworn and shabby from abuse. Yet I dare not ignore it, because creative selling is inseparable from commission compensation, although admittedly some of us have divorced commissions from creative selling.

"Many articles of trade have had their progress in customer acceptance charted in order to determine the type of sales effort necessary to obtain a profitable volume of sales. In a field with which I am familiar—the appliance business—various items have fal-

you—I've got a bad heart." Mr. Mucci may say, "Don't worry—I couldn't see you for a month, even if you were to call me. I won't get in my next carload of policies until maybe Nov. 1."

Mr. Mucci says there is nothing magic in the words, "I am in the life insurance business." But not many agents come right out and say so. Too many are mousy. They give the impression that they are ashamed to be in the life insurance business—and usually they aren't in the life insurance very long.

Believes in Being Frank

Mr. Mucci believes in being frank. He is proud of being in the life insurance business. He likes it. He likes selling life insurance and says so. Everybody he meets, everybody he knows knows that he is in the life insurance business. And they don't have to wait five years to find it out. If he doesn't get that information across to them within the first five minutes he thinks he is slipping. What's more, he finds that people like it.

"When I say, 'I am in the life insurance business,' I don't say it in the same tone as if I were saying that I am a mortician," he said. "I approach prospects with the attitude that this is good news and then they are open-minded on the subject. I make a lot of friends and I also sell some insurance now and then! I even convince myself that a lot of people like me, (Continued on page 52)

King Tells How to Develop Success Characteristics

Factors in Proper Mental Attitude for Salesman Are Outlined

How to develop characteristics and mental attitude that are essential to success was outlined by Charles J. King, Mutual Benefit Life, Kansas City, in the national sales seminar Thursday morning.



C. J. King

Speaking of an actor who started his performance with the statement, "I'm broad-minded; I won't listen," he said that is certainly true of most of the buying public, "and I am afraid it could often be applied to us. First of all, we must be salesmen, and our greatest job is often one of selling an open mind. Everything I do is calculated to aid me in that particular job."

"It has often been said that a good salesman is usually equipped with a healthy dissatisfaction. Personally, I have always possessed dissatisfied feelings with my work habits and methods, which has meant a gain of many thousands of dollars to me over the years, even though satisfaction with a job well done outweighs other

Charles King has been a successful life insurance agent for more than 20 years. After experience as a salesman for a wholesale produce company, he entered life insurance in 1927 with Victory Life of Kansas. In 1943 he joined Mutual Benefit at Kansas City, and in his first year paid for \$582,000 with that company. In 1945 he became a million-dollar producer, and he has qualified for three successive years to become a life member of the Million Dollar Round Table. Since joining Mutual Benefit, he has consistently ranked as a member of its National Associates, composed of the 25 leaders in the President's Club. He was awarded the C. L. U. designation in 1941 and in 1944 was president of the Kansas City C. L. U. chapter.

compensation.

"Many of us are cheating ourselves by a wide margin today while we are in the prime of life. Take a good look at the past 10 years and ask yourself candidly whether or not you will be pleased if the next 10 are a duplication of the past 10 years."

Don't Go Off on Tangent

An eminent life insurance authority recently stated that it is not the work agents do that wear them down, but the work that they fail to do. "Work that you don't have to do is fun, so design some system which will help you form habits of doing necessary things, and you will be surprised at the results," Mr. King suggested.

Whenever the matter of personal improvement arises, there is always the danger that a man will go off on a tangent and become so engrossed in some particular idea or branch of the business that from day to day he (Continued on page 51)

Tells Three Stages

"There are three definite stages, and all are related. From 0-10% market absorption is the 'pioneering, creative selling' stage; from 10-3% is the 'supplying of demand' stage; from 35100% is the 'traffic item' stage.

"From the salesman's standpoint, the first is the door-knocking period; the second is, 'I can serve you better because I am trained and equipped', the third is, 'over the counter; everyone has it to offer; mine's the cheapest—no place for real salesmanship'.

"Naturally, in which stage an individual appliance falls varies with the market. Foolhardy is the appliance merchant who knows not what stage prevails in his market and what technique to use on the various appliances.

"Are there parallel examples to our business? Some homes in Memphis have dishwashers which are a solution to a problem. All homes have dirty dishes, but no Memphis merchant can pay overhead by waiting until housewives, who are not even familiar with dishwashers, come in to buy and thereby solve their problem. Some men in Memphis have estate plans which are a solution to their problem. All men with a variety of assets have need for proper planning, but I cannot maintain production by waiting until estate owners, who are not even familiar with estate planning, come to call, seeking a solution to their distribution problems."

Too Little Pioneering

"Many a successful appliance man pioneers no new devices. He waits until the mass public becomes cognizant of the desirability of the new item. Then, by continuity, consistency and calibre of service, plus personal appeal and advertising, this type attracts a (Continued on page 42)



SKYLINE SYMBOL

THE progress of the past — the promise of the future — are evident in tons of steel reaching for the sky, just down the street from Convention headquarters.

The new addition to the John Hancock home office, now under construction, means more to visiting N. A. L. U.'s than just another change in Boston's skyline. For it is a symbol of faith, not only in the future of one company, but of the life insurance industry as a whole.

Built by the individual initiative of America's life insurance policyholders, every life insurance company

home office stands as a symbol of the indestructibility of the American spirit, which finds one of its highest expressions in the purchase of life insurance.

To the delegates to the N. A. L. U. Convention, whose tireless efforts make this expression possible, the John Hancock extends a hearty welcome and its wish for a happy sojourn in Boston.

John Hancock
MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

Bell Lists Guideposts to Management Success

Describes His Agency Practices of Managers Section

Speaking before the general agents and managers' section Thursday morning,



Hugh S. Bell

Hugh S. Bell, Equitable Life of Iowa, Seattle, said the job of the agency head really boils down to just two things: (1) recruiting good men, (2) guiding them to success. He spoke on the record of these two points. "We have all been gratified with some of our results," Mr. Bell said. "But if we are

inclined to get chesty we need only survey those with whom we have failed. As guides, we have been over the ground before—through the mill. It is our job to save men time, money and grief by pointing out to them the right way—the easy way and the best way to go."

He suggested that there are four great guideposts that may be erected to help managers in efficiently guiding their men.

The first is Efficient Work Pattern. All men who succeed in any lines are workers, he said. They spend time and effort at their tasks. But many men who spend time and effort do not succeed. The answer is simply, they don't work right! But even more men fail simply because they don't work much. Mr. Bell believes it is the job of an agency head to have a specific plan of work that he may teach his men.

Devises Exact Plan of Work

He recalled how eager he was to succeed when he started. "I would do anything I was asked to do. I craved exact instructions as to just how to proceed. But, sad to say, many men are offered no help at this most important time. They are told in a general way what to do, but that isn't enough for most of us. So I made up my mind that if ever I became an agency head, I would devise an exact plan of work that I could offer a new man to follow."

He then explained the one now used in his agency and told how it works. "It has long been our conviction," he said, "that a man will do better if he considers his work as a life insurance salesman as a 'piecework job.'" So through the years we have developed a schedule of work units which we think will guarantee success for an intelligent man who will really and truly follow it. We call it "the big 6." It is the instrument panel of our agency machine. Here it is: C—Contacts—at least 10 a day; I—Interviews—at least four sales talks a day; NN—New Names—at least four a day; N—Nights—at least three a week spent in interviews; L—Lunches—at least three a week with prospects; CH—Charts—at least seven colored charts or programs prepared weekly.

"Surveys show that three out of four men who fail in our business fail for the very simple reason that they do not work much. So an agency head who keeps his men working has certainly won half the battle. There is no way out of it. A man who won't work is hopeless. It is up to us to see that they do or quit."

Sales Skill Second Guidepost

The second great guidepost, he said, is teaching sales skill. "Many fine ambitious men drag along in mediocrity (Continued on page 48)

Discuss Agency Building At Managers' Section

Judd C. Benson, manager home office agency of Union Central, and Charles



C. W. Campbell

W. Campbell, manager for Prudential at Newark, discussed the agency building process in a two-man seminar at the general agents' and managers' section meeting Thursday. It was along the lines of the one that was such a well-received feature of the general agents' and managers' conference in Chicago last May.

Mr. Benson particularly stressed morale factors. He said the agent needs the feeling of well-being, of being successful. He drew the distinction between this and actual success, pointing out a man may be conscious of doing a good job even though he may have failed to make a sale. On the other hand, it is pretty difficult to get a man who feels he is making a failure out of his interviews to go out and have six failures a day.

Because of this, it is necessary to build up the agent as an artist who loves his work. The manager's success will depend on how good an artist he is able to make out of the agent. For agents who are muddled up in their thinking about life insurance Mr. Benson suggested having them get to work early in the morning and read for 30 minutes something constructive and inspirational on the life insurance business so as to wash out of their minds all their trials and tribulations.

A third essential is to keep the prospect bin full. Mr. Benson said in 10 years he had never seen an agent who had 10 good prospects who also had low morale and he never saw an agent who was without prospects who had a good opinion of the life insurance business. Hence, the manager must see that the agent has at least 10 good prospects, people he believes he can sell, all the time.

Visiting Kills Morale

One of the worst destroyers of morale is for agents to visit with each other. He has in his agency a sign saying that regular visiting hours are from 7:30 to 8 a. m. and 5:30 to 6 p. m. The agents get the point—visiting is not important



Among those speaking on the Million Dollar Round Table program: A. J. Ostheimer, III, Northwestern Mutual, Philadelphia; Harold Parsons, Travelers, Los Angeles, M.D.R.T.

enough to warrant arriving early or staying late.

A man's morale is good, Mr. Benson said, when he stands squarely on his own feet. If he says, "If it wasn't for my general agent I don't know what I'd do," that man is in a bad fix. The agent should look on his manager as one who will help him when he needs help but not as one on whom he is dependent.

Among Mr. Benson's management principles are that every contract must be the same, every agent has access to every prospect in the city, leads are given out impartially as between old and new agents, office locations are reshuffled each year, the choice being based on paid premiums, only one agency meeting is held each month and lasts half a day, clinics for information and training of new men are held and quotas and records are based on commissions earned, not on volume, and there is an agency committee for hearing grievances, which don't come to Mr. Benson for action unless they cannot be handled by the committee.

Recruiting Requirements

Discussing recruiting, Mr. Benson said there are three basic requirements—a philosophy, the allocation of time, and a plan. As to selection principles, Mr. Benson said it is better to take a month to hire a good man than to spend the rest of your life with a poor one. It is almost impossible to pay a good man too much but anything you pay a poor one is lost. It is a mistake to sell the business to a prospective agent. The manager should present the business and then let the new man decide whether he wants to enter it or not.

"Don't buy a horse with a limp," said Mr. Benson, that is, don't take a man on about whom you have reservations. Finally, don't take the incentive out of compensation. The man who does an unusually good job should feel that it is worth his while financially.

Taking up the characteristics to seek in a new man, Mr. Benson said that mental alertness, or the ability to learn, has moved up greatly in importance as training procedures have improved. If a man is lacking in this type of intelligence it is almost impossible to train him. Other traits to look for are character, determination, a sense of dramatics, resourcefulness, aggressiveness, emotional stability and a sense of humor.

In selecting a man the manager should have at least five interviews over (Continued on page 50)

Planned Process Is Essential in Agency Management

Can't Rely on Trial and Error Method for Good Results, Woodson Says

A mastery of a known process rather than the use of the trial and error method is essential in agency management.



B. N. Woodson

B. N. Woodson, vice-president of Commonwealth Life, told the general agents and managers' section Thursday in his talk on "The Management Process."

He told of his experiences as a boy with what was known as a "Chinese puzzle."

"It took some time to get it apart, and then that I remember that I fiddled with it for a good many hours before I ever succeeded in getting it together again. Now and then thereafter I would tackle the same job, and there came a time when I could solve it—after a fashion. At about that time my uncle asked me if I had mastered the puzzle, and I told him: 'Sure, I can work it now.'

"But my statement was true only in limited measure. The literal truth was that by constant association I had gained a certain familiarity with the puzzle, and had come to the point where I could, by ear and by guess and with many false starts and stop, take the puzzle apart and put it back together again. I could expect to solve it if I worked at it long and earnestly enough. I could be reasonably sure of getting the desired result if I worked diligently . . . but when I had finished, the result was the product of trial and error, rather than a known process.

Mastering Achieved Gradually

"But with the passing of time, as you can imagine, I gradually achieved another kind of mastery of the puzzle, the only kind which warrants the use of the word 'mastery.' I came finally to that point where I understood the workings and the construction of the puzzle so well that I knew exactly which steps to take and in exactly what sequence. I knew which piece to move first, which to move second, how to hold the fourth piece in place while I moved the third. I finally came to know the job well enough that probably I could have done it blindfolded as the army taught the machine gunner to break down and reassemble his rifle.

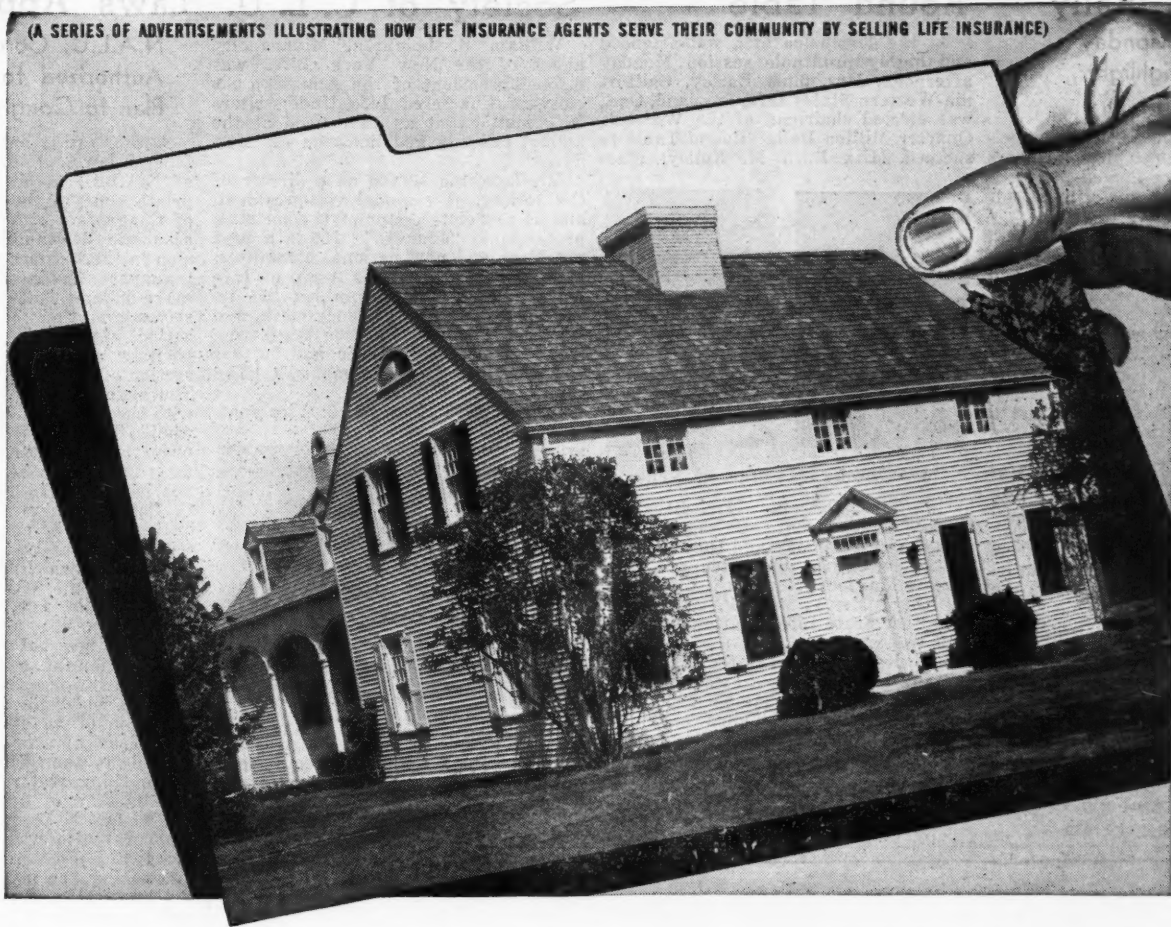
"And when I had arrived at that point, a subtle but enormously important change had taken place, for now the solution of the puzzle was no dependent upon chance and repetitive trial but rather was dependent solely upon my willingness to take certain known steps in certain known orders. Now I had truly mastered the puzzle, for whereas I had previously known with some confidence that with reasonable persistence I could hope to effect a solution, I now knew that I knew and understood every step of the process and could do the job without reliance on trial and error."

Illustrates Fundamental Difference

He said this story illustrate a fundamental difference between managers. "Some agency managers have a certain familiarity with the job and can expect to achieve a degree of success with diligent and persistent effort, by ear

(Continued on page 46)

(A SERIES OF ADVERTISEMENTS ILLUSTRATING HOW LIFE INSURANCE AGENTS SERVE THEIR COMMUNITY BY SELLING LIFE INSURANCE)



File on the Home Builder Who Never Drove a Nail

UP AND DOWN the streets of his town, Tom Farrell can point out attractive homes he has helped to build. Yet Tom is not an architect...not a building contractor...not a carpenter or a mason. He's an Equitable Society representative.

These homes which Tom Farrell points out with such satisfaction were financed through the Equitable Society's Assured Home Ownership Plan. Thanks to Tom, they're protected against the two greatest threats to home-ownership—death and hard times.

And Tom takes particular pride in the fact that

of all the Assured Home Ownership Plans he has written, not one mortgage has ever been foreclosed!

Yes, selling life insurance provides more than a livelihood. It's a good way of life, one that benefits the entire community. Safeguarding homes—educating the good citizens of tomorrow—dignifying old age—bringing greater peace of mind to families everywhere—the Equitable Representative does a day's work that is a source of daily satisfaction. He can be proud of the respect that is his as a member of a highly regarded profession and as a representative of an institution like The Equitable Society.

Hear the official broadcast of the
Federal Bureau of Investigation.
TUNE IN ON "THIS IS YOUR FBI!"
American Broadcasting Company
EVERY FRIDAY NIGHT



THE EQUITABLE
LIFE ASSURANCE
SOCIETY
OF THE UNITED STATES

THOMAS I. PARKINSON, President • 393 Seventh Avenue, New York 1, N.Y.

New Members Give Elma Easley Sales Ideas at Heads Women's Round Table

Panel Session Monday Morning a Highlight of the Meeting

A panel on sales ideas, with participants picked from the newer members of the Round Table, occupied the Monday nominal session of the Million Dollar Round Table.

Ron Stever, the Equitable Society, Los Angeles led off the session Monday morning, directing the session and speaking on "A Production Pattern for the Million Dollar Producer." He said that although the subject might seem to be unsuited for a talk to big producers, the number of qualifiers who failed to become life members indicated that the fundamental approach and a speech on reminders was a logical one for the convention.

D. H. Tompkins, Northwestern Mutual, Charleston, W. a., followed with a speech on fact-finding. He stressed the fact that the agent should approach the problem of collecting facts from the point of view of the client and determine from the facts, not what the agent wants to sell to the client, but what the facts indicate the client needs and what he will want to buy. Mr. Tompkins outlined the necessary facts that should be obtained and warned that both the agent and client should exercise care in staying within the realm of the other's concept of the situation.

J. H. Hammer, Massachusetts Mutual, Tampa, showed how the facts elicited by Mr. Tompkins could be ap-

(Continued on page 45)

At the conclusion of a well-attended and highly profitable session Monday afternoon, Mrs. Elma Easley, California-Western States Life, Portland, Ore., was elected chairman of the Women's Quarter Million Dollar Round Table to succeed Miss Ruth M. Kelley, Man-



J. E. Bragg



Ruth M. Kelley

hattan Life, Detroit. Mrs. Ethel N. Elmer, independent, Chicago, was named vice-chairman and the members of the executive committee are Mrs. Miriam Murdock, New York Life, Kansas City; Mrs. Emma P. McConnell, Volunteer State Life, Chattanooga, and Miss Kelley.

Miss Kelley also stated that the average production of Round Table members was more than \$500,000. She reported that the planned campaign on public relations the past year have been very successful.

Inasmuch as the organization was formed at the Boston meeting of

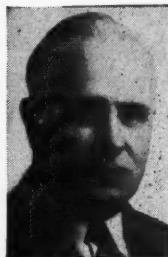
(Continued on page 50)

Leighton Named as New Head of Society of C. L. U.

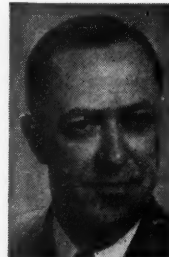
William S. Leighton, Minneapolis, agent of the New York Life, was elected president of the American Society of Chartered Life Underwriters in a mail ballot as announced at the annual meeting and luncheon of Tuesday.

Mr. Leighton served as a director of the society, as regional vice-president, and as associate editor of the society's professional "Journal." He is a past president and now national committeeman of the Minneapolis Assn. of Life Underwriters. He began his life insurance career as an agency clerk, and later scored an outstanding production record as a senior Nylc and former vice-president of his company's "Top Club."

Other officers elected are: Vice-presi-



W. S. Leighton



R. D. Hinkle

dent, Martin I. Scott, president Scott & Co., Los Angeles; treasurer Karl K. Krogue, manager Business Men's As-

(Continued on page 47)

Incentive Tax Basis Federal Laws Approved

N.A.L.U. Committee Authorized to Present Plan to Congress

Authorization has been given to the federal law and legislation committee of N.A.L.U. to present at the appropriate time to the proper committees of Congress a study of the social and economic desirability of some provision in the tax law giving to individual taxpayers an incentive to save and make independent provision for themselves and their beneficiaries. Some action along this line has been especially advocated by the taxation section of the American Bankers Assn. The argument has been advanced that with the greater incentive to save there would be a greater accumulation of property and greater income tax payments, so that the government would not lose by it in the long run. Judd C. Benson, Union Central, Cincinnati, chairman of the committee, said its intention is merely to call attention to methods by which this result might be achieved, but without recommending any particular one.

The discussion also covered existing proposals now before the Congress for a deduction of a reasonable amount of life insurance premiums from gross incomes under the income tax law, restoration of an exclusion from estate tax of an amount of life insurance payable to named beneficiaries and the earmarking and removal from estate tax liability of assets specifically intended for the payment of estate taxes. Approval also was given to pursuing technical corrections in the tax laws, mentioning specifically the problem of the imposition of an income tax upon policies assigned for a valuable consideration.

Estate and Gift Taxes

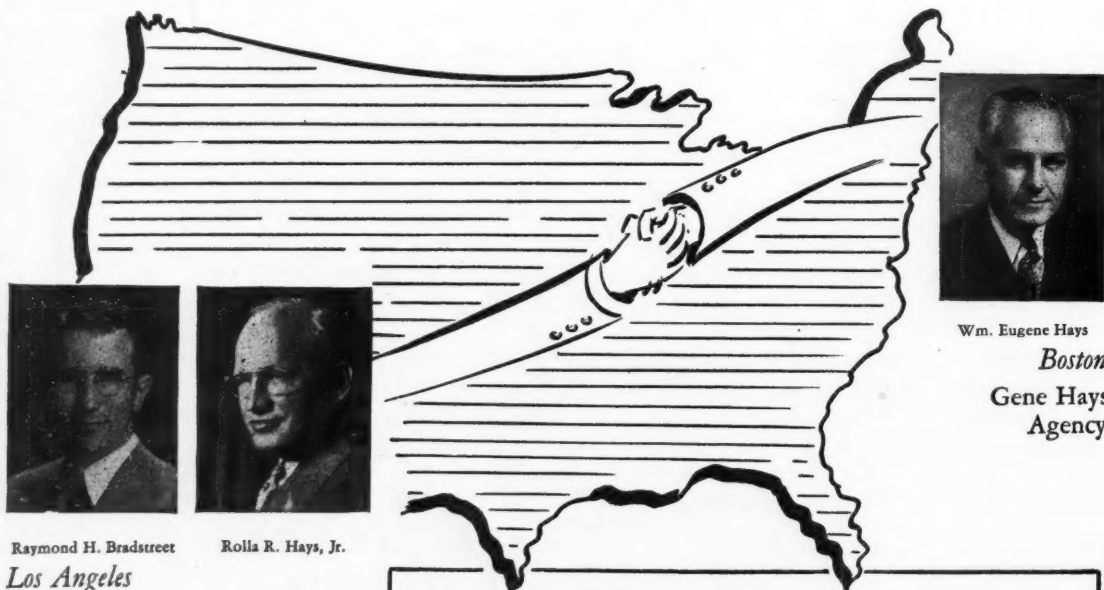
Proposals have been made from some sources that the federal government should retire entirely from the estate and gift tax field and leave that field entirely to the states, on the ground that rights are derived from state laws and the states should have exclusive jurisdiction. In that connection Mr. Benson stated that the government in 1946 received \$676 million in estate and gift taxes, slightly less than 2% of its revenue from internal sources, while state inheritance taxes totaled \$143, about 3% of the states' internal income.

Gerard S. Brown, Penn Mutual, Chicago, criticized the income tax deduction proposal, declaring that it is full of dynamite and would open the door to a tax on proceeds. He said the earmarking idea had been sidetracked previously and that the association would be "sticking its neck out" by favoring the exclusion provision. He declared that if a man wants to set up tax-exempt insurance, he can do so. However, when the vote was taken on the approval of the committee's entire program, no opposing votes were cast.

Status Under Social Security

Much attention was given to the status of agents under social security. There always has been some division among agents as to whether they want to go under the law or retain the strict independent contractor status, although it is the expressed desire of a substantial majority that past coverage should be extended to include all gainfully employed, including specifically life insurance agents, but the committee reported that there is still no indication as to when congressional

(Continued on page 49)



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Rolla R. Hays, Jr.

Los Angeles

Hays & Bradstreet Agency

Wm. Eugene Hays

Boston
Gene Hays
Agency

GREETINGS
to Conventionnaires!

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Congratulations

to the **JEFFERSON STANDARD LEADERS**
who are attending the **N. A. L. U. Meeting**

1947 MILLION DOLLAR ROUND TABLE QUALIFIERS

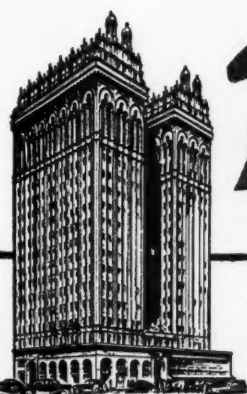
| | |
|-------------------|--------------------|
| *E. Frank Andrews | Greensboro, N. C. |
| W. A. Bethune | Charlotte, N. C. |
| R. G. Boshier | Norfolk, Va. |
| *W. Lester Brooks | Charlotte, N. C. |
| N. W. Carr | Jackson, Miss. |
| *J. T. Comer | Gastonia, N. C. |
| *John L. McCann | Charlotte, N. C. |
| Magnus B. Norman | Long Beach, Calif. |
| Ray S. Peters | Denver, Colo. |
| *Lifetime member | |

1947 NATIONAL QUALITY AWARD QUALIFIERS

| | |
|-------------------------|--------------------|
| Dallas L. Alford, Jr. | Rocky Mount, N. C. |
| D. H. Andrews | Salisbury, N. C. |
| E. Frank Andrews | Greensboro, N. C. |
| William H. Andrews, Jr. | Greensboro, N. C. |
| Edgar W. Arnold | Harriman, Tenn. |
| J. V. Barniger | Norwood, N. C. |
| John W. Berryhill, Jr. | Charlotte, N. C. |
| E. Davant Bostick, Jr. | Columbia, S. C. |
| W. Lester Brooks | Charlotte, N. C. |
| M. O. Carter | Shreveport, La. |
| Dan S. Chidester | Morgantown, W. Va. |
| L. Roy Cloninger | Amarillo, Texas |
| J. T. Comer | Gastonia, N. C. |
| James P. Deal | Knoxville, Tenn. |
| R. C. Flemister, Jr. | Birmingham, Ala. |

W. E. Fletcher
William P. Fogarty
J. P. Fritts
S. M. Gibbs
F. S. J. Hancock
Felix L. Hargis
W. Dick Hinton
C. C. Hooks
A. G. Janszen
William H. Jenkins
L. M. Krupp
Harry L. Laue
Bert W. Marshall
Ward A. Meyerhoeffer
John L. McCann
H. J. McCray
Edwin R. Nelson
Dorman T. Payne
T. A. Proctor
Frank R. Richardson
M. A. Rosoff
O. P. Schnabel
Wm. J. Schnabel
Frank Shinn
James V. Simpson
Albert Lee Smith
F. McKey Smith
Peter Lee Smith
E. Fred Smock
Donald S. Stark
M. Stanley Sturm
James A. White
William H. White
Irvin A. Williams
Peter McK. Williams
Kenneth C. Wright
Samuel V. Ziglar

Tulsa, Okla.
San Antonio, Texas
Winston-Salem, N. C.
Reidsville, N. C.
Long Beach, Calif.
Fort Worth, Texas
Greensboro, N. C.
High Point, N. C.
San Antonio, Texas
Rocky Mount, N. C.
Jacksonville, Fla.
Fort Worth, Texas
Greenville, Texas
Johnson City, Tenn.
Charlotte, N. C.
Pittsburgh, Pa.
Raleigh, N. C.
North Wilkesboro, N. C.
Annapolis, Md.
Concord, N. C.
Philadelphia, Pa.
San Antonio, Texas
San Antonio, Texas
Concord, N. C.
Burlington, N. C.
Birmingham, Ala.
Washington, D. C.
High Point, N. C.
Louisville, Ky.
Cincinnati, Ohio
Greensboro, N. C.
Charlotte, N. C.
Sanford, N. C.
Greensboro, N. C.
Fayetteville, N. C.
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Now more than \$700,000,000
insurance in force

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LIFE INSURANCE COMPANY**

RALPH C. PRICE, President

GREENSBORO, North Carolina

Stricter Licensing Requirements Up to Agents—Hinkle

Roland D. Hinkle, Equitable Society, Chicago, president of the American Society of C.L.U., said in his address before the Million Dollar Round Table at Swampscott, Mass., that the professional viewpoint is appraised quite differently by various occupational groups.

"Consider the efforts made by athletic directors to avoid the accusation of professionalism against athletes in our colleges and universities", he said. "A stigma is attached to following as a business that which ordinarily is engaged in as a pastime. Even if one excels in competitive sport, particularly if there is a stipend, he is sometimes disparagingly labeled a professional."

"Conversely, the bar associations and medical societies vest authority in their committees to conduct hearings for those of their members accused of failure to observe professional standards of conduct. It is not within our power to determine whether or not we

enjoy professional status. The law and the attitude of the public are the determining factors."

Mr. Hinkle said that shortly after the subject "The Professional Viewpoint", was assigned to him for discussion at this meeting, some interesting correspondence came to his attention. The Buffalo C.L.U. chapter delegated one of its members to inquire as to the professional status of C.L.U.s. He said that while one might wonder if chapter have nothing more constructive to debate than this academic question, to the agents residing in the state of New York the question is more than mere theory. It would be financially advantageous for life underwriters to enjoy professional status under the provisions of the New York unincorporated business tax.

The legal treatment of this subject by Robert Dechert, one of Philadelphia's distinguished attorneys who serves as counsel for The American College of Life Underwriters, deserves more than perfunctory review, said Mr. Hinkle. He quoted the following:

"As the law now refers to the word 'professional,' the career of a life insurance agent under the great American a gency system may never be

deemed to be within the narrow meaning of that word because of the selling element involved in the great contribution which the life underwriter makes to American life. Furthermore, the occupation itself cannot be known in the law as a 'profession' until the minimum standards for entry demand from all both a liberal education and proved attainments in special knowledge."

Under this interpretation, the members of the Round Table by their annual qualification prevent themselves being construed legally as professional men but this legal barrier does not preclude the execution of the work as professional men, said Mr. Hinkle. He quoted Dr. S. S. Huebner as saying that "life insurance will be fully recognized as a profession, just the same as law, medicine, and accounting. The role of the life underwriter will be similar to that of other professional men. People will seek him out for professional advice . . . Selling will be different. The doctor and lawyer and accountant must be salesmen, although they don't go out and solicit business. They have other ways. They join clubs. They take part in community activities. They lend their services to civic and charitable organizations."

"When we weigh the progress of

(Continued on page 37)

Wisconsin Assn. Sets Up Headquarters to Boost Imig

The Wisconsin Assn. of Life Underwriters has set up a headquarters room on the fifth floor to promote the candidacy of R. E. Imig, Sheboygan, for national trustee. He was one of those nominated at the National Council meeting Tuesday. He was president of the state association last year and of the Sheboygan association the year before. William H. Pryor, Connecticut Mutual, Milwaukee, president of the state association, was in charge of the headquarters. Schlitz, the beer that made Milwaukee famous, and Wisconsin cheese, are being dispensed and consumed with much gratification by the numerous visitors.

Spencer McCarty, Provident Mutual, Albany, executive secretary of the New York State Life Underwriters Assn., got in early Sunday afternoon to spend the afternoon and evening with his old friend and Union College classmate, Dr. Charles Williams, Harvard lecturer and head of the public health service of Liberty Mutual, Boston casualty company.

Boston Officers And Committees Doing Yeoman Work

The highest praise was given on all sides to the Boston Association of Life Underwriters for the way in which it has handled the arrangements for the meeting, and anticipating the needs and wants of the delegates and taking care of them after their arrival.

Harold P. Cooley, New England Mutual Life, is general chairman of



H. P. Cooley



W. C. Coogan

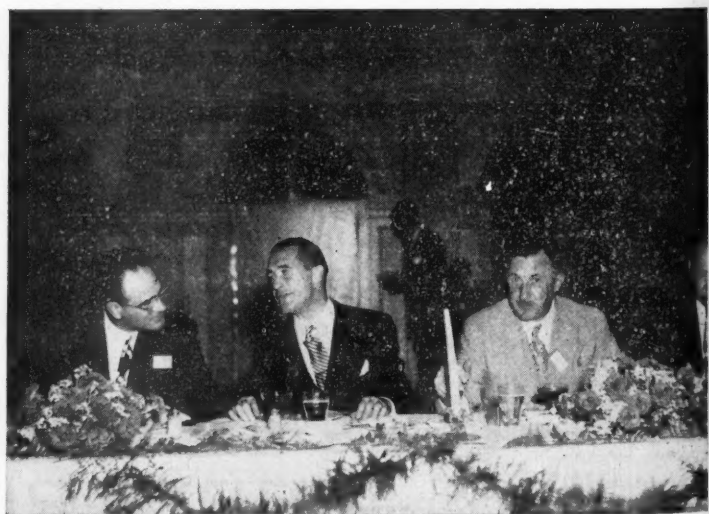
the convention executive committee. Charles B. Johnson is treasurer and the other members are Willard L. Morsen, Ralph E. Morrison and Arthur J. Murphy.

Chairman of the various sub-committees are: Attendance, J. S. Braunig; C.L.U., M. Luther Buchanan; decorations, Walter H. Boireau; entertainment, Arthur J. Murphy; finance, Charles B. Johnson; hospitality, J. A. LaTulippe; hotel reservations, Ralph E. Morrison; president's reception and ball, Joshua B. Clark; press and publicity, Ernest L. Maillet; registration, Lester von Thurn; sergeant-at-arms, Malcolm B. Flanders; women guests, Mrs. George Willard Smith and Mrs. Paul F. Clark; women underwriters, Corinne V. Loomis.

Joseph d. Griffin, president of the Boston association, who extended greetings on behalf of the host group at the opening convention session, and W. C. Coogan, its hard-working executive secretary, both have been and are doing yeoman work to see that everything goes well with the convention plans.

Pa. Assn. Has Party

The Pennsylvania Life Underwriters Assn. held a cocktail party at its headquarters on the 14th floor.



At the dinner which Travelers gave the M.D.R.T.: Paul Cook, general agent Mutual Benefit Life, Chicago; Joseph Thompson, superintendent of agencies of Travelers; and Paul Dunnagan, Canada Life, Minneapolis, new M.D.R.T. chairman.



1891

1947

GREETINGS TO THE N. A. L. U.

The Boston Mutual Life Insurance Company welcomes the Fifty-Eighth Annual Convention of the National Association of Life Underwriters to our City and heartily congratulates your organization for the many advancements it has brought to our profession. We are certain that our 400,000 policyholders throughout New England have benefited because of your efforts.

BOSTON MUTUAL LIFE INSURANCE COMPANY

HOME OFFICE
BOSTON, MASS.

JAY R. BENTON
PRESIDENT

Tells Benefits of Education for Agent and Policyholder

Education of the underwriter and of the prospect as an aid to good selling was discussed by Mrs. Elsie Doyle, Union Central Life, Cincinnati, at the women's session.



Elsie Doyle

Education for selling the benefits of life insurance is the development of a natural talent which all agents possess, Mrs. Doyle declared. It improves effectiveness of salesmanship and helps

the prospect appreciate and understand the service he receives.

Self-education embraces the study of human nature and psychology; an understanding of the prospect's business or profession; ability to discuss with intelligence the topics of the day; a thorough knowledge of the life insurance business; promotion of prestige; an idea of selling principles, and the maintenance of enthusiasm.

Satisfying the Policyholder

Mrs. Doyle pointed out an "educated" policyholder will buy and retain more life insurance and be more satisfied from its ownership. She recommended that the prospect's education start with a telephone approach, in which he learns that the agent wants to make an appointment for something of importance. The prospect should be convinced that spending three or four hours discussing his life insurance program is of value to the extent of going, if possible, to the agent's office where attention to his problem will be uninterrupted.

The prospect should know that life insurance is not designed to accomplish anything new or different, but rather to help him do better something he already wants to do. She said the prospect should be educated in why life insurance is good property; how the contract provides flexibility; the guaranteed protection of capital assets, and the distributive advantages of a life insurance estate.

"Tell him all," she said. "We have nothing to conceal. The better our policyholder understands his life insurance holdings, the more he appreciates his investment and his own judgement in so investing."

"Education properly to equip us for our work must embrace eight things," Mrs. Doyle emphasized.

First is a study of human nature and psychology. An analysis of the Carnegie Institute of Technology revealed that about 15 per cent of a salesman's financial success is due to technical knowledge and about 85 per cent to the skill of human engineering, personality and the ability to lead people. "The better we understand the person with whom we are dealing, the more interesting this prospect will be to us," she noted.

"Two we should try to learn something about each prospect's own business or profession. The more intelligently we understand his problems, the better advisers we become. If the business is a seasonable one, we should be guided thusly in timing our sales approach.

"I recall an instance in Cincinnati. It was the week before Christmas in a large department store. The clerks were tired, the stock very low, the customers impatient, and I had been referred to the department buyer to learn if my order could be filled before the holidays. Standing in line, I was astonished to recognize an underwriter with years of experience endeavoring to explain a lengthy, complicated propo-

sposal on a family income plan to this poor merchandising man. Use your imagination as to how that interview ended."

"Breaking the Ice"

Ability to discuss with intelligence other subjects such as art, music, new books, current events, etc., many times helps "break-the-ice" in that important first interview, she commented.

"It is important to have such a thorough knowledge of the life insurance business that we are enabled to make it crystal-clear to other people," she explained. "We must educate ourselves so that our presentations are clear, accurate, simple and sincere.

"Then, our education must help us build and hold the prestige of our clients. Public recognition as a life underwriter with superior knowledge is a most enduring asset in our business. Being well-skilled promotes confidence in your prospect and policyholder. He

recognizes that the suggestions in his behalf are based on not only an understanding of his problem but also on proper knowledge as to its solution. A thorough acquaintance with your business likewise impresses him with the fact that you are zealous in your work and painstaking in your service."

Gain Community Respect

It is important, too, that agents develop and maintain with their associates and within the community a position warranting respect,—respect, based on knowledge of the business and the manner in which it is applied.

"Education to better equip ourselves must include a study of the science of selling principles which have been definitely determined and worked out. It behooves us to profit by these established and proved rules by learning how to apply them," Mrs. Doyle said.

Finally, education must be such that it will maintain enthusiasm at a point which makes work interesting. "This is definitely brought about by the type of clientele we seek. If we prospect among alert, wide-awake, progressive individuals, we, too, must match wits with them in knowledge and interests.

"An 'educated' policyholder will buy and retain more life insurance, derive more satisfaction from owning it and help us sell more insurance to others," she stated. Thus, our efforts as agents become more profitable. Our work the source of fresh enthusiasm and greater satisfaction.

"A prospect's education should start with the telephone approach. Be calm, friendly, professional. If avoidable, never follow up a lead without first securing an appointment. You indicate by so doing that you, too, are a busy person and place a high valuation upon his time as well as your own. Telephoning requires a friendly attitude which makes itself felt, and the courage to keep on practicing until you feel completely at ease in its use. The time, effort and strength it conserves is unlimited. Who knows?—The person who answers may be just as friendly as you are. Give him a chance. Any possible discourtesy experienced over the phone can't hurt as much as if it had occurred face-to-face by barging into a man's presence without an appointment. If you are not successful on the phone in gaining an appointment, you

Continued on page 44)

WELCOME HOME!!

For us, September is a red-letter month. Not only does it bring the Delegates of the National Association home to Boston for their 58th Annual Convention, but it marks the forty-fifth anniversary of our founding, September 11, 1902.

We are proud that our home city is the birthplace of the National Association of Life Underwriters, an organization which has contributed so much to the high standards and prestige of the Life Insurance profession.

**THE COLUMBIAN NATIONAL LIFE
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BOSTON, MASS.

"Built on INTEGRITY—Growing on SERVICE"

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General Agent

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RICHARD W. PARTRIDGE *General Agent*

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Richard Blackmur
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General Agent
MAX SLATER
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THE WINSLOW COBB AGENCY

WINSLOW S. COBB, Jr.
General Agent

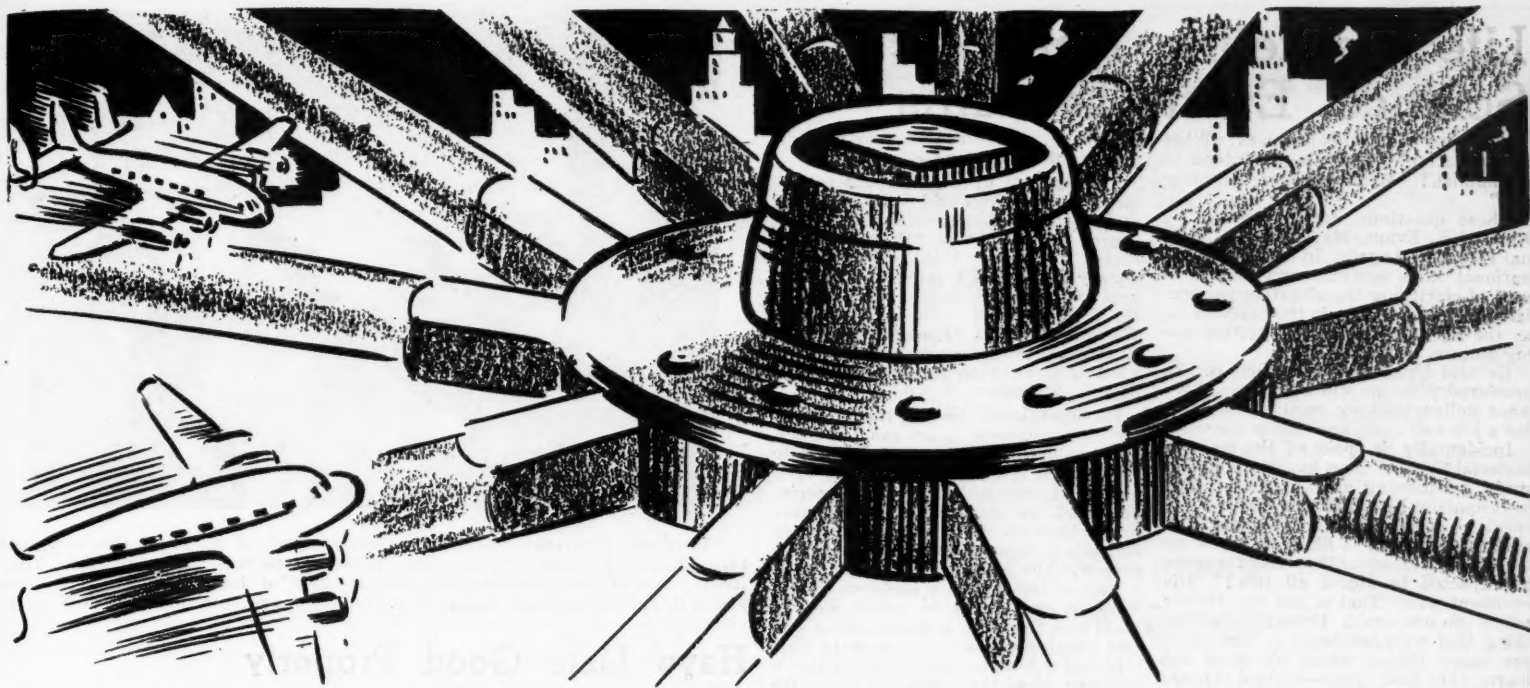
THE
CONNECTICUT MUTUAL LIFE
INSURANCE COMPANY
49 FEDERAL STREET

McKINLEY WARREN and ASSOCIATES

THE PHOENIX MUTUAL LIFE
INSURANCE COMPANY
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HARTFORD, CONN.
35 CONGRESS STREET
Laf. 0430

THE HARRY ROSS Jr. AGENCY

THE GUARDIAN
LIFE INSURANCE COMPANY
OF
AMERICA
50 CONGRESS STREET,
BOSTON



THE FOWLER AGENCY

UNION CENTRAL
LIFE INSURANCE
COMPANY

60 CONGRESS STREET

Theodore L. Fowler, C. L. U.,
Manager

Vernon E. Blagbrough, C. L. U.,
Associate Manager

Liberty 4970

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Life Marketing Not Exact Science, Evans Explains

"Why are we in this business? What are we after? What do we intend to accomplish? What are we shooting at?"

These questions were suggested by Richard E. Evans, Massachusetts Mutual Life, Los Angeles, in his talk on the national sales seminar program, as a way of clarifying the situation particularly for the new man in the business or, as the army would put it, getting the big picture.

He said all of these questions can be answered with one word—success. "We want dollars and we want satisfaction for a job well done, and that is success."

Incidentally he spoke of the mass of material the new man has available for study, mentioning among other things the Diamond Life Bulletins, Little Gem, special tax course, ad infinitum, and said the neophyte is likely to throw up his hands and say: "How could anyone be expected to digest all this?" His comment was: "That is just exactly the point—no one could. Probably the first thing that we must learn is that there are many things which we must not learn the first year—certain things 16 Insurance 2280 Les Tues 11 which we must not waste time on if we intend to live on our commissions the first year."

If success is the objective, he suggested studying immediately certain elements, the product of which equals success: (1) Sales efficiency; (2) the element of time; (3) our market; (4) the competitive element. All have a definite and overlapping relationship to each other. He expressed this relationship through the use of a mathematical formula: $S = E \times T \times M/C$.

Three items that he listed under sales efficiency, which will determine its weight in formula are the amount of knowledge, the extent of experience and the effectiveness of one's personality. There are also three factors which may be listed under the time element, to assist in determining its weight: Organization, will and what he called domestic distractions.

Looking at the market, he emphasized that the market that will produce commissions for million dollar producers may not necessarily be the market that would bring about the desired results for the average agent. "In our market we must first have people in large numbers approachable by us. They must have buying power and a need for the production we sell. They must qualify

physically, and, of course, they must be geographically accessible."

Taking note of the competitive element, he said the effectiveness of the competition will determine to a great degree the weight of "M" in the formula. "Let us say that 1,000 is the arbitrary figure which represents the degree of success we desire. Then, if $E = 10$, $T = 10$ and $M = 10$, we'll make it. We can double the value of E and T , but if we permit C to reduce M to zero, look what happens to our formula: $S = 20 \times 20 \times 0$. Therefore, $S = 0$."

He depreciated the idea that marketing life insurance is an exact science, comparable to mathematics. "Certainly not. There are many unknowns, variables and intangibles. It isn't conceivable that we could weigh the factors in our formula with complete accuracy and pre-determine the extent of our success. The formula is intended to be a way of thinking—a skeleton framework in our minds on which we can build new thought—a master filing system which enables us to properly classify and utilize, or store away or throw out, new ideas that come our way. We keep our formula handy so that we can step up on it for a moment many times each day—and keep the big picture before us."

Still speaking from the standpoint of the new man in the business, he advised examining the framework on which he intends to build, to determine his course of action.

He said the new man can expect his efficiency index to be low at the onset. He'll be short on know-how for some time, he has little or no experience and his personality must be developed. "What should he do? He should utilize the time allocated to study to search for only that knowledge which directly applies to his market—he should specialize."

"This is a day of specialization, you know. Time was when a general practitioner took care of all our ills. Now we have surgeons, specialists on internal medicine, neurologists, psychiatrists, obstetricians, pediatricians, etc."

"If we become specialists right at the start, we don't have as much to learn; so the 'E' in our formula, as it applies to our market, can become a significant factor in a relatively short period of time."

The time element is simply the num-
(Continued on page 39)



Harrison Warrenner, assistant superintendent of agencies Union Central Life; Robert R. Reno, Jr. manager Equitable Society, Chicago; Mrs. Ralph Hoyer, wife of the Columbus, O., general agent of John Hancock Mutual, and Philip B. Hobbs, manager Equitable Society, Chicago, and president of N.A.L.U.

Hays Lists Good Property Features of Life Insurance

Speaking at the Women's Quarter Million Dollar Round Table dinner on



William E. Hays

self and family with economic security—to establish a new source of income against the time when personal earnings cease.

Men seek to establish a substitute for earning power; that is the test of good property. To gauge utility of property it is necessary to look beyond the characteristics of the property itself to the plan under which the property is purchased and held—rights and privileges of the owner.

Characteristics of Good Property

Among the characteristics of good property—standards of excellence,—he listed:

1. Safety of principal. Life insurance has the essential ingredients which have caused it to become the prime example of this standard, because of (a) the principle of preferred liens, (b) the principle of amortization, (c) diversification of investments, (d) expert management, (e) continuous premium income, (f) careful government supervision, (g) traditional large safety margins.

2. Future value. Good property must have expectations of substantial future value. Life insurance has guaranteed future values. The test of good property is its value, not when we buy it, but when we must liquidate it. Most men are forced to liquidate property when the business cycle is down.

3. Marketability under any conditions. Life insurance has a guaranteed market at a guaranteed market value at all times. It is of great importance in event of emergencies and financial panics when the highest grade investments can find no market.

4. Frequency of re-investment. The average investor is unable to make five consecutive successful reinvestments. Life insurance can be purchased on a life-time program without the hazard

of a single reinvestment.

Invest Money to Save It

5. Convenience of purchase. The average man does not save his money to invest it; he invests his money to save it. Life insurance can be purchased on terms which are convenient to any income, and these terms can be adjusted to meet almost any condition.

6. Flexibility to meet changing conditions. Many options available in life insurance contracts permit adjustments as conditions change:

7. Compound interest. Benefits of compound interest an important element of good property, but only a theory as far as most investments are concerned. In life insurance, compound interest is a fact.

Time Risk Eliminated

8. Elimination of time risk in accumulation. The savings objective is to establish a sufficient amount of property to serve as a substitute for earning power. Any sound purchase plan must anticipate the fact that death or disability might cut short the accumulation period. Life insurance is the only property that guarantees to eliminate the time risk.

9. Ease of estate transfer. Good property must pass to heirs with the least possible loss and must be available to them in a form which is geared to their needs.

"Consider the characteristics of life insurance in this respect, Mr. Hays suggested: (a) It passes by contract—no need for probate with its attendant costs and delays, (b) free from state death taxes in most states if proceeds paid to named beneficiaries, (c) automatically worth "par" at death! (d) when proceeds are payable to immediate family, they are ordinarily free from claims of decedent's creditors.

Life Insurance Preferred Property

"All other forms of property are created before the individual purchases them. They are created to satisfy the financial needs of the sellers. Life insurance is the only form of property which was ever devised to satisfy the needs of the purchaser."

"The discovery of the 'annuity principle in the creation of income has most important financial development of our generation," Mr. Hays declared. "Low interest and high income taxes combine to make life insurance the only logical type of property which the average man can own with safety and peace of mind."



Chairmen checking on last minute details at opening of the N.A.L.U. convention: seated (left to right): Willard L. Momsen, chairman of entertainment committee, Harold P. Cooley, general chairman, Ralph E. Morrison, chairman of housing committee; standing, Walter H. Boireau, chairman of transportation committee, Malcolm B. Flanders, sergeant-at-arms, and Lester Von Thurn, chairman of registration committee.

Leading Life Offices of Chicago

N. A. L. U. 58th Anniversary

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AETNA LIFE INSURANCE COMPANY

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Telephone Andover 1920

The offices listed on this page are leaders in the life insurance field in Chicago. They believe in the National Association and for what it stands, and through this medium extend their cordial greetings to the 58th annual meeting in Boston

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Reliance Life Insurance Company of Pittsburgh

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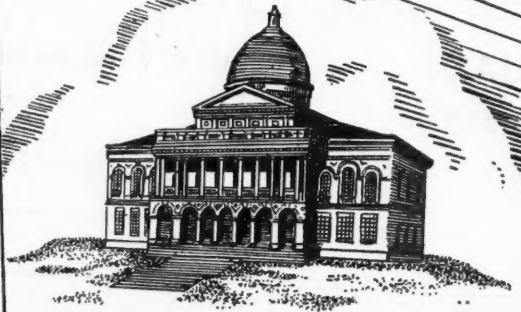
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GREETINGS

FROM NEW YORK GENERAL AGENTS AND MANAGERS TO
THE NATIONAL ASSOCIATION OF LIFE UNDERWRITERS AT
BOSTON WHERE THE SPIRIT OF ELIZUR WRIGHT, PIONEER
BUILDER OF LIFE INSURANCE, STILL LIVES.



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134 W. Columbia St., Hempstead, L. I.

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AGENCY**

The Guardian Life Insurance Co.

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New York 1

CHickering 4-4400

HARRIS L. WOFFORD, C.L.U.
Manager

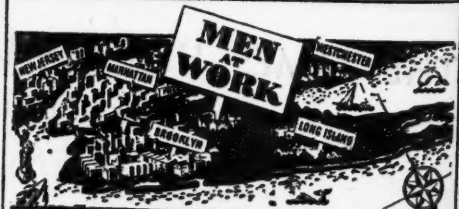
Manhattan Ordinary Agency

The Prudential Ins. Co. of America

90 John Street, Room 1800

New York, N. Y.

COrtlandt 7-4363



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General Agent

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RAYMOND F. THORNE

GENERAL AGENT

Berkshire Life Insurance Company

225 BROADWAY

NEW YORK

John Street Office

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY

C. W. SABIN, *Manager*

Whitehall 3-6767

MEYER M. GOLDSTEIN, C.L.U.

The Connecticut Mutual Life
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NEW ENGLAND MUTUAL

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General Agent

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Jersey City, 6, N. J.

Market 2-2241

JOurnal Sq. 4-1724

REctor 2-4540

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American College Reports Peak Year

The American College of Life Underwriters during 1947 achieved its highest peak of activities in its 20-year history, according to the report presented at the annual meeting of the college's trustees here.

Dr. S. S. Huebner, president of the college, presented the annual report for the 20th anniversary year.

Not only was full recovery made from the war years but the previous high year of 1939 was also outdistanced. In some respects the gains as reported for 1947 were extraordinarily large. The results for 1947, the report comments, give abundant evidence of the resiliency of the C.L.U. movement to withstand temporary shocks, and of its permanency as a growing force for the good of the life insurance institution.

Notable gains were made in all important activities of the college. This year's examinations brought the total number who have completed the entire series of C.L.U. examinations to 2,999, a gain of 205 over the total for last year. This compares with 127 completions for 1945, and 117 completions for 1946.

Another 4,496 additional candidates have credit for the successful completion of one or more of the five C.L.U. examinations. Nearly 7,500 candidates have thus demonstrated their knowledge by examination in all or some of the fields of subject matter covered by the C.L.U. program of study.

Including this year, the registration board of the college has approved a total of 10,476 candidates as having complied with all of the eligibility requirements of the college, required for



Lining for the hors d'oeuvres at the Travelers M.D.R.T. cocktail party: R. G. Poindexter, Northwestern Mutual, St. Louis; Carl E. Harris, Equitable Society, Chicago; and Leonard R. Woods, Massachusetts Mutual, St. Louis.

the taking of C.L.U. examinations.

Candidates numbering 2,564 took C.L.U. examinations on June 11, 12 and 13, 1947, at 121 educational institutions. These are located in 43 states, as well as in the District of Columbia, Honolulu and Toronto. This number of candidates compares with 1,365 in 1946 (an increase of 80%).

Most significant of all was the extraordinarily large increase in newly enrolled candidates taking examinations for the first time. New candidates this year totalled 1,655, as compared with 748 in 1946, 475 in 1945, and only 260 in 1944, the low of the war period. This year's increase over 1946 is 121%.

Compared with 1944, the total is 6.4 times as large.

The average age of new candidates approved for taking examinations in 1947 decreased from the higher ages of candidates during the war years, as was anticipated. This year's average age stood at 33.9 years as compared with 1946—35.6, 1945—38.8, 1944—37.8 and 1943—37.5 years. The 1947 average age compares also with the average age of 33.4 years for the pre-war years 1933-1942.

The number of examinations taken totals 3,239, compared with 1,749 in 1946, only 890 in 1944, and 3,125 in

(Continued on page 40)

Randall Lists Qualities Vital to Big Producers

President Jesse Randall of Travelers at the dinner the company gave for the Million Dollar Round Table at Swampscott, welcomed the group to New England and paid special tribute to M.D.R.T. Chairman Harold Parsons.

"An added zest to our anticipation," he said "was the fact that your chairman this year is our old friend, Hal Parsons, who has with distinction represented the Travelers Insurance Co. for almost a quarter of a century and whose name has consistently appeared at or near the top of the list of our life leaders every one of those years. It gratifies me, on this occasion, to pay tribute to his outstanding qualities as a company representative, an underwriter and a citizen."

"Incidentally, it may interest you to know that Hal has demonstrated that a good man can make good anywhere he happens to land. He started his Life insurance career in Toronto—and made good there. His wife's health, however, forced him to seek a warmer climate, so he came down across the border to Los Angeles. In spite of the fact that he had no friends, no connections in that city, he resumed his production there without missing a stroke and soon was producing a much larger volume of business than he ever had in Toronto. That is one advantage of being a trained life underwriter. If circumstances force you to change your base of operations, you have something that will work anywhere; something

(Continued on page 40)

GREETINGS

TO BOSTON AND THE NATIONAL ASSOCIATION OF LIFE UNDERWRITERS

RALPH H. LOVE AGENCY

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36 Pearl St.
Hartford, Conn.

HOWARD V. KRICK

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New Haven, Conn.

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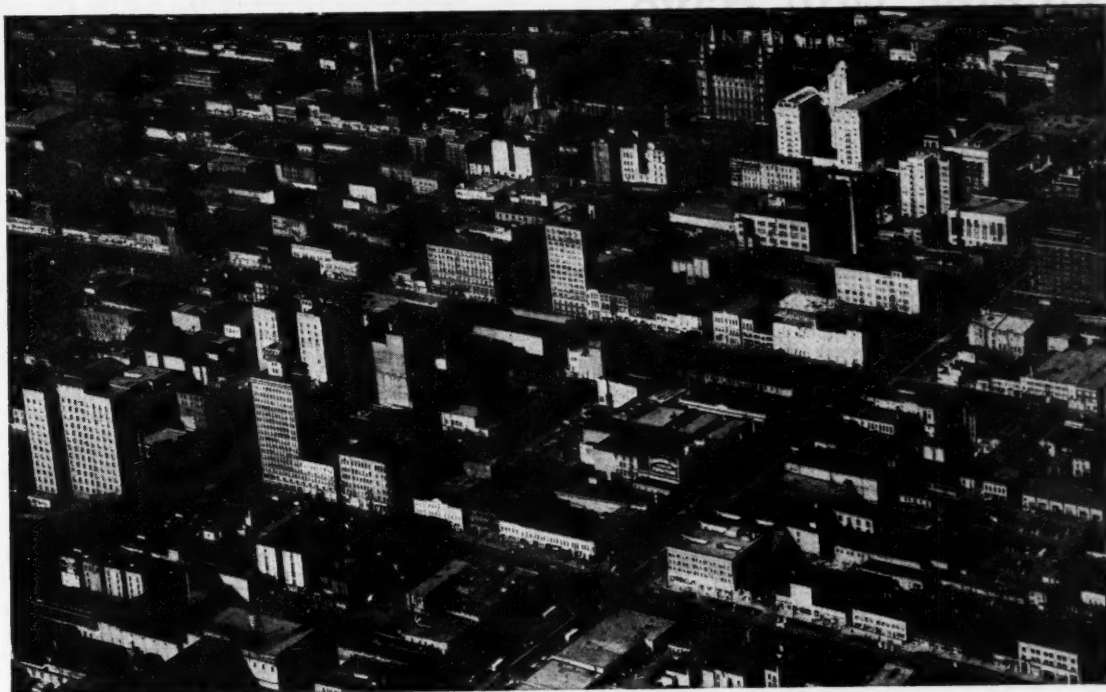
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(Home Office)

Denver, Colorado

Telephone 5-7583

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R. E. TOWLE, Jr., Mgr.Life-Accident & Health—Group
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NEW YORK

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Utah Oil Bldg. Salt Lake City

**JOHN W. LAWRENCE,
C.L.U.***Manager*

Ordinary Department

THE PRUDENTIAL INSURANCE

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(Home Office—Newark, N. J.)

Telephone 5-2901

1021 Kearns Bldg. Salt Lake City

HARRY J. SYPHUS*General Agent*

BENEFICIAL LIFE INSURANCE CO.

Telephone 5-7480

6th floor Beneficial Life Bldg.

Salt Lake City

**F. EDWARD WALKER
C.L.U.***Manager for Utah*

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MUTUAL BENEFIT H & A ASSN.

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139 S. Second, East Salt Lake City

DAVID PETERSON*General Agent*

BENEFICIAL LIFE INSURANCE CO.

Telephone 8984

225 Eccles Bldg. Ogden, Utah

Predicts Slumps Will Have Less Effect on Surrenders

Conservation is not a special or separate function of life insurance—it is the insurance business, said Vera Sundelson, associate manager Sundelson Agency, Equitable Society New York City, in her talk at the women's session Thursday. She said the downward movement of business and market fluctuations have always been accompanied by a falling off insurance placed and a greater tendency toward policy loans and surrenders. However, she expressed the hope that this might not be so much the case in the future.

Miss Sundelson said that with the increasing technical proficiency of the life insurance industry and the extent to which sales in recent years have been professionally programmed and adequately serviced, it is probable that the lapse ratio in the immediate future will be less sensitive to changes in the business index than in the past. Proper underwriting, followed by persistent service, as a further step in preventive conservation, should effectively reduce the incidence of lapse in the future. The public has become accustomed to service after the sale as an accepted pattern in American business and professions.

Lapses Bad for All Hands

Every reasonable effort for conservation should be exhausted, as lapsation is a precursor of grief which harms not only the policyholder but the underwriter as well. We must sell ourselves first on the urgency of conservation as it is a vital factor in our income, she said.

Any discussion of conservation would hardly be complete without an analysis

of lapse and surrender rate trends, not only from an historical standpoint, but as a basis of drawing upon such past experience in an effort to forecast probable future experience and to take whatever steps are within our control to minimize these rates, said Miss Sundelson.

Miss Sundelson quoted L. I. A. M. A. figures showing annual average lapse rates for 1938 through 1946, where lapse is defined as policies lapsed (i.e., without cash value) in the calendar year as related to new average production for the two previous calendar years by amounts. The respective annual lapse rates were 16.0%, 14.4%, 14.9%, 14.2%, 13.0%, 11.0%, 9.8%, 9.8%, and 12.3%. The study involved only those companies having \$400 million or more.

Traces Trend of Lapse

There was a gradual decline in lapse rate from 1938 through 1941, and with the low in the war years, 1941 through 1945. In 1946, the trend once again became unfavorable, and subsequent reports by the association indicate very strongly that we are in for a period of rising lapse rates, she said.

Statistical methods have now been refined to the point where ample and reliable data is available sufficient for forecasting the future trends of lapsation with a fair degree of accuracy, said Miss Sundelson. In a general way, the probable recurrence of a lapse cycle can be attributed to the following factors: reconversion upheaval, migratory trends, disrupted employment, income reduction, increased living costs, urgent business needs, availability of consumer goods, and speculative financial opportunities.

These causes cannot be isolated but stem from geographic, industrial and general economic trends. These are group symptoms and can be readily distinguished from the following causes: inroads of social insurance, chronic rate-shoppers with fractional premium payments, ill-advised pressure sales, situations where the insured's obligation to the beneficiary has been discharged, twisting or incomplete comparisons, policies not properly explained and dissatisfaction with the company. The readily accessible reserve funds are a temptation in retrenchment because the surrender of life insurance does not require a change in the standard of living. Conservation is dedicated to aid the owner of life insurance in evaluating the imperative needs of the present in relation to the potential needs of the future.

"The policy owners' confidence in you was an important factor when the original sale was made," said Miss Sundelson. "Frequent service calls revive that confidence and offer you an opportunity to resell the policy. Experience has shown that personal service forestalls many preventable lapses. Certainly, a satisfied client can never be unsold by another underwriter. We all know that permanent clients mean continued income, referred prospects and new sales from old clients."

Quotes Earnings Figures

She remarked that the life insurance Sales Research Bureau reported from Lintons' "Study of Agent's Earnings in 1937" that past performance records indicated that in order to have \$1 million of business in force after 15 years, the man with a poor persistency record must write an average of 86% more business annually for 15 years than an agent with a good persistency record. It is estimated that an established agent should spend 60% of his time on new production and 40% on conservation.

Changes in life insurance contracts, the downward trend of interest rates, the revised mortality tables, etc., under legislation already enacted in the various states places further emphasis on the disadvantages of lapsation or surrender at this time. The question of insurability, the dangers of disrupted coverage and the increased cost of replacement in preventable terminations, warrant concentrated attention. In addition to these disadvantages the owner, by defaulting on premium payments forfeits the numerous privileges and flexible clauses in his contract.

Watch Heavy Loans

Conservation service and restorations must be effected by personal contact and can seldom be accomplished by mail. Miss Sundelson recommended coding chronic lapsees and pay particular attention to policies on which there are heavy loans, etc. The well organized agent is constantly rebuilding his files, checking change of addresses and beneficiary status, and reviewing the progress of the policyholder's program and changing needs.

Some success has been achieved with reminders forwarded directly by the agent prior to the expiration of the reinstatement option, depending upon company practice. A communication addressed to the policyholder on subsequent anniversaries of lapse as reminders has occasionally been effective. Reinstatement and restoration, counter to accepted views, should be attempted again and again, as in numerous cases the policyholder's difficulties may have been temporary.

Should Have Kit

An agent's portfolio should include a conservation kit, complete with social security data, etc., said Miss Sundelson. Every company provides its representatives with sales literature, premium enclosures, service cards, annual

reports, etc. Miss Sundelson recommended a continuous distribution of this sales and conservation material by mail and in person. The agent's service to the client is further rewarded by the solution of his prospecting problem, because behind every satisfied client there exists a market more valuable than the original sale.

Miss Sundelson listed some interesting catch-phrases that have been used in restoration calls: "Why did you purchase life insurance?" "Would you be proud to meet your beneficiary after you are gone?" "There is no bargain in life insurance." "Security from fear is worth 1,000 times the premium payment." "You show symptoms of the disease of 'policy dropsy'." "Worry lessens life expectancy." "There were 30,000 death claims last year on first year policyholders." "Lapsees think they lead a charmed life." "Men need it most when they can least afford it." "Would you throw the life boat off a sinking ship to lighten the load?"

"Lapses Are Leaks"

"Every aspect of conservation demonstrates that lapses are leaks in the life insurance reservoir," she said. The "Weekly Underwriter" reported that "... ordinary legal reserve life insurance companies, having 80% of the business, declined one-quarter of a million people applying for insurance protection in 1946. In the same year three times as many people voluntarily lapsed or surrendered their insurance (in the value of \$547,100,000). This represents an increase of 44% over the 1945 lapse and surrender rate." It is therefore crucial that every known device be employed in the prevention of available terminations.

"Upon how well we implement, in a practical way, every known procedure for conservation in this era depends the future of the life insurance business and our own income. Servicing the business in force is carrying out our part of the original sale. When we delivered the policy, we assured the purchaser that he had just bought a lifetime claim on all of the services that the company management and we, as its representatives, could reasonably render.

Urges Broad Program

"Certainly, a broad conservation program conducted jointly by the industry, the company, the agency and followed through by the representative, will exercise an important role in shaping the future course of the business and will maintain the good-will of the public—which includes actual and potential policyholders.

"For many years, the idea prevailed that no one generation paid its own way, each one rode in on the back of the other. By the same token, the best traditions of our field have taught us, that the real clients of an underwriter are first the beneficiaries, and then the insured.

"In addition to our self-interest, let us acquit ourselves with dignity by enthusiastic acknowledgement of our responsibility to our policyholders and preserve the prosperity of the life insurance business. Remember, 'business that stays is business that pays!'"

Miss Wasson Publicized

The Boston "Globe" made a front page feature, with picture, on Miss Norma Wasson, Kansas City, under a two-column headline, "Woman Sells Insurance at \$250,000 Yearly Clip." The reporter mentioned that Miss Wasson, though selling 60% of her business to men, sells a surprising amount to married women whose husbands are alive and employed. She makes the sale on the basis of how much it would cost a husband to hire the work done that his wife does for free.

To the officers and members of The
National Association of Life Under-
writers: Congratulations on achiev-
ing your goal of 50,000 members and
your work in elevating the profes-
sional standing of all Life Under-
writers.

BANKERS MUTUAL LIFE COMPANY

1907

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Freeport, Illinois

Competition Least of Troubles, Mrs. Pickering Says

Speaking on "Competition" at the women's session, Mrs. Winifred Pickering, Canada Life, Toronto, said that is one phase of the business that has touched her very lightly. "Frankly, I have found that competition, whether it be companies, underwriters or plans, is not very important if you are on the right track," she said. "We all have run into the fur coat, new car and electric refrigerator but that is only a temporary objection."

She gave a brief review of working plans but first outlined her ideas on what a manager should do.

"If I were a manager, which I wouldn't want to be," she said, "here are a few things that I would try to do. In the first place I would make up my mind that at all times I must be both patient and understanding with my agents. I would have to know all the answers, too, and try never to be wrong!"

Harmony in Agency Essential

"I would choose my sales force with explicit care, making sure, as far as possible, that he or she was the type that I liked and that would get along with my group as well. Half the success of an organization is harmony. I would make sure that the office staff studied each agent and gave exceptionally good service at all times. Everything should be made as easy as possible for my agents. The less time they have to spend on detail, the more time they are going to have to be seeing other people—the greater production for them and the better it will be for my branch."

"I would make sure that my agents (1) knew the business, (2) knew the sales presentation. I would encourage very definitely: (1) Plenty of study, (2) hearing good speakers on the subject of life insurance, (3) joining the life underwriters association, (4) keeping careful records from the start, (5) organize themselves efficiently, (6) make a confidant of me. The more I know of my agent, the better I can guide him or her to success. The more they tell me of their successes and failures, the easier it is for me to help them, (7) I would try to get the best out of each one, give encouragement, suggestions, etc., but never criticize them, when they are really doing their best, (8) I would try to earn the right to be considered their friend at all costs. Without these simple facts, I know I wouldn't be a successful manager."

Believes in Insurance

She insisted that competition "should be the least of our worries if we are ticking, as any hard working and intelligent underwriter should. In the first place I believe in insurance and I believe in letting people know it. Here are a few of the reasons:

"(1) Life insurance not only gives a person a safe way of saving money but it guarantees them a life long independence. No other type of saving will do that.

"(2) Life insurance creates the amount we set out to save, as an estate immediately. No other investment can do that.

"(3) Life insurance is the only institution in the world that can take a person's money and pay back both principal and interest and make it last as long as he or she lives.

"Knowing these facts, it gives me a great deal of satisfaction when closing

a sale, because some day that person is going to be really glad that he or she did business with me."

Opportunity for Service

Features of the business she emphasized include:

(1) The endless opportunity for service—the Golden Rule. "The more love in your heart for others—the more wonderful this business becomes."

(2) The unlimited field for action. "You can work just as hard as you want to. You are your own boss."

(3) It is a good paying business.

(4) "You can set your own objectives. You just get out of this business, what you are willing to put into it. Set your objectives high, possible but difficult. You're that much better for the try, even if you don't quite make it."

Results of Organizing Work

She told of hearing a talk by F. A. Morse, Northwestern Mutual, on "What's Your Score?" He said that 90% of agents' effort is on themselves; that they haven't the courage to work eight hours each day or to organize themselves. He keeps an elaborate sys-

tem of records, secretaries, etc., and he writes a million each year. "It interested me, listening to him, because in my own simple way I was doing the same thing," Mrs. Pickering said. "It has saved me endless time and it is beginning to pay off, too." From her records she gave brief analyses of two different periods:

June 10-Sept. 10, 1942: Sales 19—female 12, male 7; source of business: Casual acquaintances 8, friends 2, cold calls 6, relatives 3; sales on 1st call 16,

(Continued on page 32)

The Memphis Story



Dying Man Holds Pen in Mouth to Renew Policy

Memphis, Tenn., Nov. 5 (UP) Dying from injuries sustained when the Panama Limited cracked up at Batesville, Mississippi, yesterday, the engineer of the train made an "X" with a fountain pen held in his mouth to renew a lapsed life insurance policy, it was learned tonight. Doctors and nurses stood by his bedside in a hospital here as the engineer—his right arm amputated and his left forearm cruelly mangled—held a fountain pen between his teeth and made a crude cross on the paper which meant "a large sum of money" to his wife and children.

The engineer had a Massachusetts Mutual policy. A premium had fallen due; the grace period had expired; the premium had not been paid; the policy had lapsed. The policy included the Automatic Premium Loan Provision, but there was insufficient cash value to cover the overdue premium.

The dying engineer entered the hospital at 6:00 a.m., November 4. Before he died about 8:00 p.m. the same day, the efficient work of our Memphis Agency was responsible for the signing of our blue reinstatement form, as indicated in the newspaper account, and payment of the overdue premium. The insurance was reinstated. The claim was paid.

The above true story and many others on record prove the importance of the unique Massachusetts Mutual reinstatement clause from which we quote:

If this policy shall have lapsed and shall not have been surrendered for cash, it may, upon written request signed by the insured, be reinstated during the lifetime of the insured: (1) **without evidence of insurability**, within **thirty-one days after the expiration of the grace period** for the payment of the first premium in default.

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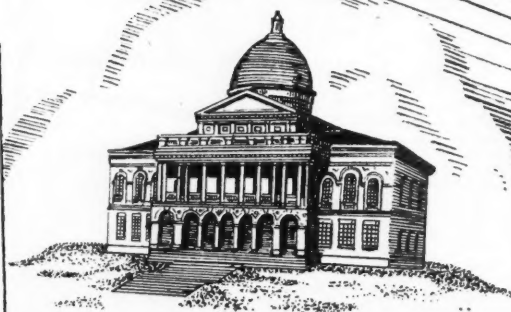
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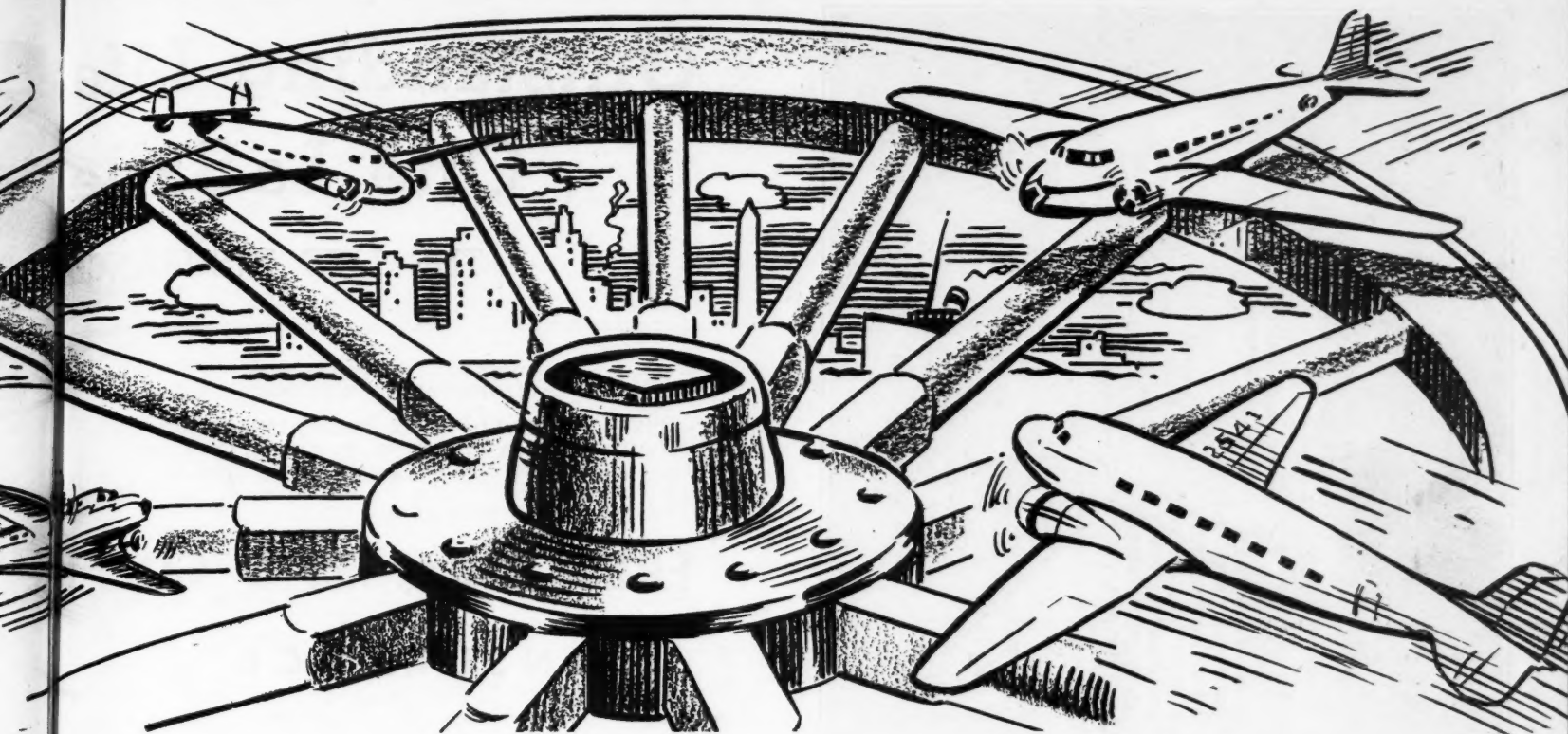
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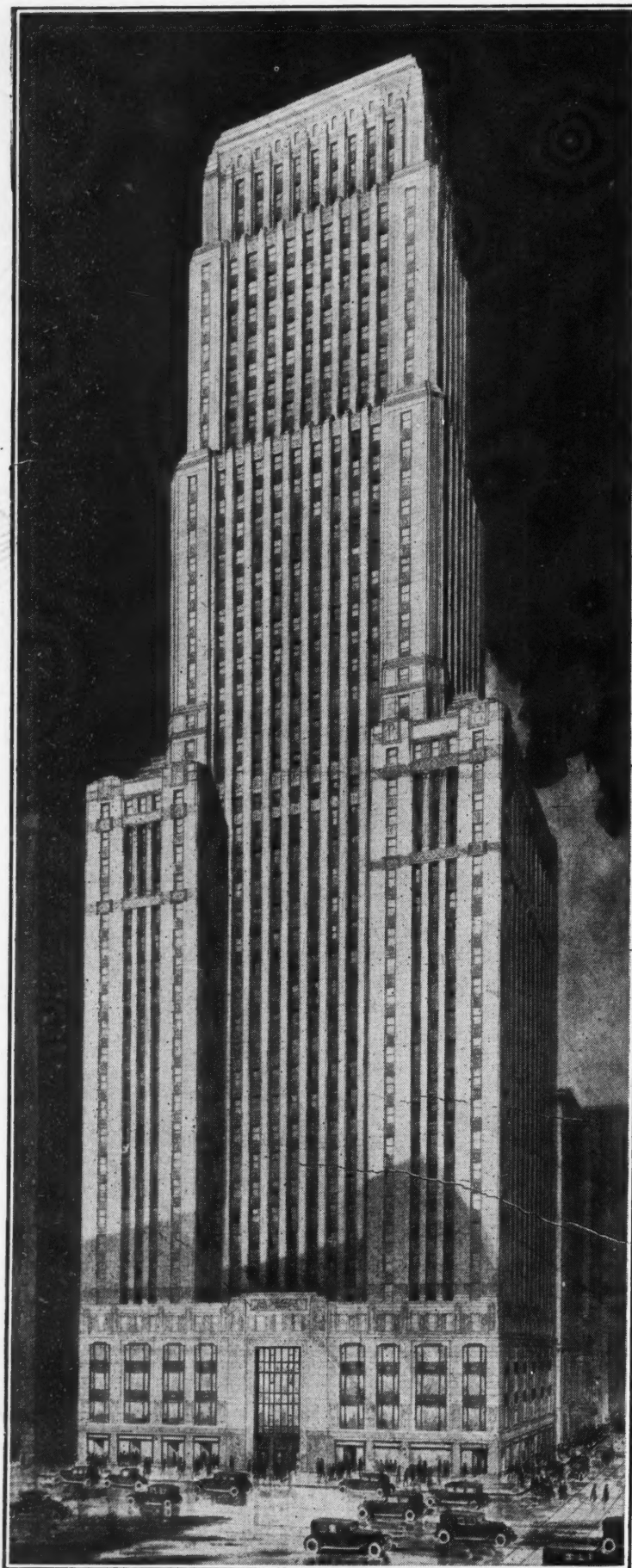
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(Continued from page 23)

2nd call 1, 3rd call 2; average size case \$3,615; total volume \$68,683.

Jan. 1-Feb. 15, 1947: sales 16—female 9, male 7 (4 children); source of business: friend 1, cold calls 3, repeat 1, policyholders—referred leads—11; sales on 1st call 16; average size case \$2,488; total volume \$39,689.

By keeping careful records it is easy to observe clients' birthdays, age changes, etc., she said.

Sells Interviews on 'Phone

Mrs. Pickering said she sells 99% of her interviews on the telephone.

"When I first started in the business I telephoned a Girl Guide leader. We had a chat and I finally sold the interview. I didn't close that sale that night but I did get a list of names from her. The endless chain that was started through one name that that girl gave me is amazing. In looking back over my records, I find that by

March 8, 1945, I could account for \$38,798 worth of business. I sold the Girl Guide last year and I can think of several others whom I have written as a result of referred names from the same source."

In speaking at banquets she has adopted Russell Wood's idea of "having the husband die last week, or I have painted a vivid picture of old age—55, 60 or 65 and living on their relatives, not with them. There is nothing just like a good human interest story."

She has found speaking to graduation classes a good field for later prospect-

ing. "People like to deal with people they know."

"In 1945, through one person in a certain hospital I sold 15 nurses, resulting in over \$56,000 worth of business. Some cases I couldn't use her name but in most cases I had that privilege. So your see, the bulk of my business is certainly from referred leads."

She considers children's insurance one of the most interesting fields of all. "Personally I love writing children. You get to know Ma and Pa, Grandma and Uncle Dudley. It opens all kinds of doors of opportunity! I give my children a small gift. I try to obtain a snap to put in my Stork Book. Those children are going to grow and I hope to grow with them."

"I think you will agree with me that our only competition is ignorance. The answer to ignorance is enlightenment through education and understanding, which is our opportunity to do a good public relations job."

Report on Tax Proposal of N.A.L.U. To Congress

A two-part report was presented by the committee on federal law and legislation covering its presentation of a tax program to the House of Representatives ways and means committee, and significant matters acted upon by the committee in the past year. Judd C. Benson, Union Central Life, Cincinnati, is chairman. The report states:

The ways and means committee of the House of Representatives honored the request of the committee for a scheduled time to appear on behalf of the association during the hearings concerning tax revision. On July 15, the chairman appeared before the Congressional committee to present those items of the tax policy of the association which were deemed of greatest significance and of the most immediate importance to life insurance policyowners. The presentation was separated into two parts, the first consisting of three proposals submitted independently by this association and the second consisting of three proposals submitted jointly with the Life Insurance Association of America and the American Life Convention. The first group of proposals covered elimination of the premium payment test governing inclusion of life insurance proceeds in the gross estate of a decedent, clarification of the term "possibility of reverter" in the internal revenue code, and the recommendation that the present three per cent rule governing taxation of annuity payments be changed to a more equitable basis. The second group included two general recommendations concerning qualified pension plans and a recommendation to allow to life insurance agents the tax privileges under the retirement plans that are set out in sections 165 and 22, internal revenue code.

Premium Payment Test

In the presentation of the three proposals submitted independently by this association, greatest emphasis was placed on the need and value of elimination of the premium payment test. In recent months, the committee had the benefit of considered and detailed recommendations of individual members of the committee and others concerning the formal statement submitted to the Ways and Means committee on this point.

The ways and means committee reconvened in November and has given permission to the association to

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(2) Continuous compensation (including pension) for all Field Representatives, plus extra rewards for better than average selling results.

(3) Traditionally large average sales.

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additional briefs and to apply for additional time before the committee.

Cooperative Activity

The committee gave recognition to the benefits derived by the association from the persistent conduct of the committee's affairs in such a manner as to gain cooperation on a friendly and constructive basis from the life insurance company associations and the working committees of the American Bar Association, the American Bankers Association and the United States Chamber of Commerce. In particular, where interests have appeared to be identical, every effort has been made to coordinate the legislative program of the association with that of the company associations. This cooperation has at all times been coupled with a complete understanding on both sides that full freedom was reserved for independent action if there appeared to be any conflict between the legislative program on behalf of our members and that on behalf of the companies. The value of this coordination was exemplified in the recent presentation to the house ways and means committee in which there was a parallel, and in some respects a joint presentation with respect to all major matters advanced by representatives of the life insurance business, company and agents.

In addition, it is of interest that recommendations of the section of taxation of the American Bar Association to the ways and means committee were consistent with the position of the association to such an extent that it was possible to adopt in large measure those technical amendments drafted and submitted by the bar association which covered our recommendations. The statement submitted on behalf of the United States Chamber of Commerce contained proposals which deserve the attention of the association, including a recommendation for the restoration of the special life insurance exclusion of \$40,000 for estate tax purposes and enactment of a provision allowing for the ear-marking of assets, especially life insurance, for the payment of estate taxes, such segregated assets to be exempt from estate tax. These recommendations were in addition to the substantial support which the Chamber gave to the N.A.L.U. program by recommendations paralleling those which we submitted. The National Association of Manufacturers included in its recommendations a proposal, supported by sound reasoning, that for purposes of income tax an individual be allowed a deduction of life insurance premiums paid by him during the taxable year to the maximum extent of \$500.

Surrender of Life Policies

In response to requests for clarification of its ruling on the cash surrender value of a life policy, the bureau has issued a supplemental ruling. This clarification itself contains statements which sharply limit its applicability and it is not satisfactory, particularly if a single premium or limited payment life insurance policy were involved. However, it is suggested that it is probably inadvisable to pursue this matter further unless and until a specific situation is presented requiring further clarification.

Income Tax Problems

The committee has continued to receive information concerning difficulties encountered by life insurance agents as the result of the disallowance of claimed expense deductions by local offices of the internal revenue bureau.

At the midyear meeting, the trustees and national council approved the recommendation of the committee that a

study of the income tax problems of life insurance agents and recommendations concerning the proper preparation of income tax returns shall be prepared by our National attorney. This study will be prepared from the standpoint of the normal problems which the majority of our members may be expected to meet in connection with their income tax reports. It is also contemplated that, so far as possible, the study will be supplemented by further discussions arising from questions and suggestions received

from individual members which seem to be of general interest.

Many Committees Meet

In accordance with the procedure followed in recent years, most of the standing committees of N.A.L.U. held informal meetings Monday, open to all those interested in the work of the various committees, for informal discussion of the reports to be submitted by the committees, suggestions for amendments in the reports and other

matters of interest.

The committees on agent's compensation, agency practices, federal law and legislation and life insurance information met Monday morning and those on conservation, veterans affairs, membership, resolutions, by-laws, cooperation with attorneys and cooperation with trust officers in the afternoon.

The credentials committee had its headquarters open from Monday morning on to receive and check credentials of national council members prior to its meeting.

Some of Our Recent Advertisements IN LEADING INSURANCE JOURNALS

The Commonwealth Commentary

A PROFESSION—BUT WITH A DIFFERENCE

The concept of the life underwriter as a professional man is one which is hit hard and often. It is a concept which is worthy of frequent stress: the services of the life underwriter have an influence on the economic life of the community which is quite as profound as those of the doctor or the lawyer or the architect.

But there is a vital difference—a difference which is too often unrecognized—or recognized too late.

When a man is sick he can seek the services of a physician. When he is in legal difficulties he can then select the lawyer of his choice. But when a man and his family come to the point where the services of the life underwriter are urgently needed—THEN it is too late to call him in. The life insurance estate engineer, unlike any other professional

WEALTH LIFE INSURANCE COMPANY
MORTON BOYD, President
BUILDING QUALITY POLICIES

COMMONWEALTH LIFE INSURANCE COMPANY
LOUISVILLE • MORTON BOYD, President
WHERE QUALITY MEN ARE BUILDING QUALITY POLICIES

The Commonwealth Commentary

PROFESSIONAL—OR QUACK?

What is the mark of the professional man? Is it the fact that he arrives at the office at 9:30, takes two hours for lunch, spends an afternoon a week on the golf course?

If these are characteristics at all, they are purely incidental. The real essence of the professional man in that he directs his own activities in a field of vital importance to the community, for which he fits himself by CONSTANT STUDY AND RESEARCH.

The life underwriter aspiring to the professional level who overlooks these last item will constantly evolve a thousand miles. Because of the constantly evolving nature of the life insurance business, nothing short of a continuous program of personal study will qualify the underwriter in the field as a proper advisor to all who need his services.

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LOUISVILLE • MORTON BOYD, President
WHERE QUALITY MEN ARE BUILDING QUALITY POLICIES

The Commonwealth Commentary

MEMO TO THE HOME OFFICE

There is a constant flood of eloquence exhorting the fieldman to do a constantly better job, to conform to the high humanitarian principles of the business, and thus to assure his own success and the betterment of society.

Let us not forget that the underwriter in the field is just one member of a team. His teammates are the people in the action he in who must follow through the ball, but he can't who is carrying into a wall of opposition from his teammates.

He is distinctly recognized that no fieldman can do any better job than his home office person in the home office work must every company's tendencies toward opposition eliminate all tendencies toward wholehearted operation, making him realize that the accent is on the FIRST word in the term "home office."

Insurance in Force, April 30, 1947—\$320,137,304

COMMONWEALTH LIFE INSURANCE COMPANY
LOUISVILLE • MORTON BOYD, President
WHERE QUALITY MEN ARE BUILDING QUALITY POLICIES

The Commonwealth Commentary

THE NATURE OF FEAR

How often have you heard that life insurance brings peace of mind—is it closer to fifteen or fifteen hundred? But on the other hand, have you ever bothered to analyze that statement?

We are only afraid of what we don't know. That is a fact. Recall any time you were afraid, and you will find that your fear arose from the unknown. Now, as a man considers the future of his family, fear may arise whether he does not know whether his wife's education he began so well, whether his own old age will be one of satisfaction or dependent frustration. But it is virtually impossible to name any such "unknown" simple as a mechanical formula: eliminate the unknown, fear evaporates, peace of mind moves in to take its place. Life insurance does its best because it is designed to do it.

Insurance in Force, April 30, 1947—\$320,137,304

COMMONWEALTH LIFE INSURANCE COMPANY
LOUISVILLE • MORTON BOYD, President
WHERE QUALITY MEN ARE BUILDING QUALITY POLICIES

COMMONWEALTH
LIFE INSURANCE COMPANY
Home Office: LOUISVILLE MORTON BOYD, President

New State Laws Are Reviewed

Committee on State Laws Reports on Legislative Action in 1947

Items of primary interest to the National association in the field of state legislation was reviewed in the report of the committee on state law and legislation, headed by W. Ray Moss. The committee covered its subject under about 10 points.

Legislation Under Public Law 15

Rate regulation statutes to counter the effect of the decision in the South-eastern Underwriters Association were enacted in 38 states, the report said. In the vast majority of these states the legislation was necessary to establish a proper basis for state control of rate making, not directly affecting life insurance. In a relatively few, the bills passed were merely corrections of existing legislation. Many varied from the proposed commissioners' and all-industry committee measures. However, each which passed constitutes an assertion by the state of its intent and desire to establish adequate regulation and to continue state supervision of the business. Missouri deferred consideration of the rating bills to 1948. Efforts will continue to procure the enactment of adequate legislation in the two states where it still appears to be required and to secure such corrections and amendments in existing laws as experience may dictate.

The so-called fair trade practices measures, based generally upon the commissioners' and all-industry committee drafts, were adopted in 16 states. Again, as in the case of the rating legislation, there were variation from the proposed model drafts to meet local ideas and requirements. It must be kept in mind, in considering the necessity or desirability of the fair trade practices type of bill, that many states have long had statutes in their insurance codes which prohibited most, if not all, of the acts

specified in the fair trade practices act.

In addition to the encouraging activity of the state legislatures, Congress passed, and the President signed, a bill extending the moratorium under public law 15 an additional six months to June 30, 1948.

New Insurance Codes

Complete new insurance codes were adopted in Idaho, South Carolina, Utah and Washington. The association, through the National attorney, was invited to comment with respect to each of these proposed codes and many of its suggestions were adopted. In general, the provisions of these new codes are substantial improvements over the insurance laws in effect in those states prior to 1947. Their enactment definitely aids in the effort to continue the supervision of the insurance business under state control.

Qualification and License Laws

Bills based essentially upon the full text of the draft of a qualification and license bill for life insurance agents prepared by the association were passed in Florida, Idaho and Maine. Similar bills were defeated or failed to receive final action in the legislatures of Arizona, Iowa, Kansas, Texas and Wyoming. Other bills designed to integrate the basic principles of the N.L.A.U. bill into existing licensing laws were passed in Nevada, Oregon and South Carolina and failed of final action in New Jersey and Vermont. California substantially strengthened the provisions of its law and in Utah a qualification law based on the Washington system was included in the new code. The interest in this type of legislation has been very high. Even in the seven jurisdictions in which the proposed legislation was not enacted, a great deal of preliminary explanation and activity has been accomplished which should prove of material assistance when the bills are resubmitted at the next legislative sessions in those states.

Reviews Colorado Measure

The committee was interested in a bill which was enacted in Colorado

and defeated through the opposition of the state association in Indiana. This particular measure would permit a licensed insurance agent who is an officer, partner or employee of a corporation, co-partnership or association engaged in the insurance business to write insurance as a part of the company's business and to assign all commissions to the benefit of such company. There is some reason to believe that the sponsorship of this particular type of legislation was the same in both of the reported instances. The ramifications of this legislation and its possible adverse effect upon both the insuring public and the career life underwriter are considerable. It should be noted that the bill in question contains no safeguards or other controls governing the corporation, partnership or association concerned. In those states where the public policy presumably is based on the assumption that the relationship between the life insurance agent and the policyowner is a personal one, there is no reason for the existence of such legislation. There are indications that this type of bill may be introduced in other states.

Guertin Laws

On January 1, 1947, enactment of the standard valuation and non-forfeiture legislation was required in 13 states and the District of Columbia. Prior to that time mandatory or permissive legislation had been enacted in 26 states, and it was considered that the existing laws in nine other states made this legislation unnecessary. During the 1947 legislative sessions the bills requiring or allowing the use of modern mortality tables and the new system for the calculation of non-forfeiture values was passed in all of the remaining 14 jurisdictions except Oklahoma and the District of Columbia. The District of Columbia bill is pending. The effort will continue to have the legislation enacted in Oklahoma, so that there may be complete uniformity of company operations under the new tables and methods.

Group Insurance

The proposed commissioners' group life insurance definition and standard

provisions, or bills based on the commissioners' measure, were adopted in Colorado, Illinois, Iowa, Maine, New Hampshire, New York, North Carolina, Texas, Vermont and Washington. Other bills, differing in varying respects from the Commissioners', were passed in Arizona, Arkansas, Idaho, Michigan, Pennsylvania and Utah. In some states, the commissioners' bill was proposed with what were designated as minor changes, but which turned out to allow trade association coverage and other major deviations.

County and Municipal Taxes

In its midyear report, the committee expressed concern about the spreading proposals to impose county or municipal business privilege, occupational or license taxes. Legislation of this nature was introduced in twelve of the 44 state legislatures. Of these twelve, laws were enacted in Georgia, extending the law which had previously existed, and in Minnesota, where a permissive statute was passed allowing the imposition of occupational taxes. The need of municipal and county governments for revenue and the difficulties of finding sources of revenue not in conflict with federal and state tax bases are obvious. However, discriminatory taxation of the kind represented in the occupational and license taxes can, and very often does, become an intolerable burden upon a relatively small segment of the taxpaying public.

Community Property Laws

Community property laws existed in nine states prior to the 1947 legislative session. Four states, Michigan, Nebraska, Oregon and Pennsylvania, have been added to this group as the result of laws passed this year. Community property laws were introduced in Arkansas, Colorado, Florida, Illinois, Kansas, Missouri, South Dakota and Wyoming. In all except Missouri these laws either failed to pass or did not come up for final action. In Missouri, the bill was put over until 1948.

Savings Bank Life Insurance

Perhaps the most violent controversy over legislation in which any association participated was that in

Greetings to the



NATIONAL ASSOCIATION OF LIFE UNDERWRITERS from KANSAS CITY, MO

Sincere congratulations to the Officers, Committee Members and Headquarters Staff for the great job they are doing

HERBERT A. HEDGES & ASSOCIATES

General Agent

EQUITABLE LIFE OF IOWA, KANSAS CITY, MO.

The Northwestern Mutual Life Insurance Company

OF MILWAUKEE, WISCONSIN

E. A. HASEK AND ASSOCIATES

R. A. LONG BUILDING

KANSAS CITY AGENCY

J. D. McInnes, Manager

KANSAS CITY LIFE INSURANCE CO.

University Club Bldg., 914 Baltimore Ave.

J. R. FARNEY

Director of Agencies, Western Division

THE OHIO NATIONAL LIFE INSURANCE CO.

Missouri-Kansas

1111 BRYANT BUILDING

New York which resulted in defeat of the proposals of the savings bank interests to increase the top limits of the amount of insurance the banks may write on an individual life. This opposition became the subject of vicious and irresponsible charges and a driving publicity campaign by the proponents of savings bank life insurance in New York. Despite all the pressure exerted, the bill was defeated. In Connecticut a law was passed which allows conversion of an individual policy up to \$5,000 by an insured who had been covered under a group plan issued by a savings bank. Legislation to permit the writing of savings bank life insurance was introduced in Pennsylvania and Rhode Island. In both states these bills failed of enactment. In Rhode Island, the proponents carried on a publicity campaign comparable to that in New York. There is no question that this and comparable schemes will continue to plague those concerned with protecting the agency system against adverse legislation.

Life Insurance Licks Inflation by Inflating

Assigned the broad topics of inflation and stabilization, Mrs. Hazel B. Price, supervisor for Union Mutual at Pittsburgh, told the women's section of N. A. L. U. that life insurance acts as a deterrent to monetary inflation, but at the same time inflates a young man's dream into actuality for his loved ones should he die prematurely and if he lives inflates his own retirement income more than double what his savings could produce if invested otherwise. She said that from the national economy down through the community, economic stabilization is provided by the institution of life insurance.



Hazel B. Price

She spoke of the paradox of life insurance in that the threat of uncontrolled inflation which faces the nation is being tempered by an increasing flow of premium dollars while at the same time the partial actuality of inflation creates the current life insurance market. Emergency funds set up five years ago are wholly inadequate today. Family income needs, as previously arranged in programs, are much under current income requirements. She termed life insurance controlled and beneficial inflation. This controlled inflation will capitalize for a young man a goodly portion of his anticipated earnings. By saving approximately \$300 a year he can capitalize his next 20 years of earnings into \$25,000 for his family under a family income plan. At retirement, matured cash values or annuities provide income equivalent to a 3% return on a fund two or three times his actual accumulation, again real controlled inflation. The agent finds his current earnings inflated a conservative 60% by deferred renewals, she declared.

In treating stabilization, the speaker concerned herself mostly with that balance required of the life insurance agent in conducting his own affairs. She termed deceptive the phrase, "one of the nicest things about the insurance business is that your time is your own." Only after the requirements and demands of the business have been

taken care of, is the insurance agent's time his own, she declared.

Agent Needs a Plan

The agent needs a definite plan of procedure which includes a knowledge of the business, a knowledge of the market with a continuous watchfulness for "money-winds," economic and tax changes.

A schedule of operation is required for successful stabilization by the agent. Like a merchant, he must prepare for calls and must have a check system by which he can eliminate waste effort and develop a method for improving his sales talk.

Just as any business needs an efficient inventory check system, in life insurance a consistent and continuous

prospecting plan spells success.

Sound management is the foundation upon which the other factors of business rest. The insurance agent is his own management. He not only plans and organizes, but he must be his own sales force, his own inventory check, his own comptroller, his own advertising staff and above all, his own manager.

Greetings to Boston Convention National Association of Life Underwriters

FROM

(Newark) Outstanding General Agents and Managers

WILLIAM R. BEARDSLEE AGENCY

L. E. GROELL, Brokerage Manager

THE LINCOLN NATIONAL LIFE INS. CO.

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NEW ENGLAND MUTUAL LIFE INSURANCE CO.

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Newark 2, N. J.
Market 2-0360

THE NEWARK AGENCY

Serving Northern New Jersey

THE PRUDENTIAL INS. CO. OF AMERICA

Home office—Newark, N. J.

Chas. W. Campbell, C.L.U., Manager

Saul Vort, Associate Manager

Suite 1115, 744 Broad St.

Phone MA 3-2990

Newark, N. J.

SPECIAL GREETINGS TO

JUL B. BAUMANN
Vice President, N.A.L.U.
General Agent

PACIFIC MUTUAL LIFE INS. CO.

ARTHUR LEWIS

General Agent, Pacific Mutual Life Ins. Co.

1180 Raymond Boulevard
Newark

J. BRUCE MacWHINNEY

General Agent for New Jersey



9 Clinton St. Newark Market 3-2610

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY

B. C. THURMAN, General Agent

744 Broad Street
Newark 2, N. J.

Put Life Insurance Selling On Business Basis: Kaufman

(Continued from page 20)

that you should and/or don't get accomplished.

"It is a mistake to use marginal hours for business. Stay fresh and alert — work a reasonable pattern. There is no point in trying to see thirty people each day and prosper by dint of sheer exposure. Your surface will get dull. 'See the people' of course, but strive for quality interviews rather than quantity, and develop finesse and dispatch, realizing that it isn't done in six easy lessons. Let good management control your labor and apply it where the effect is profitable. Management and labor working intelligently together, with adequate capital, guarantee success in our business too!"

As to the source of capital, he said there are three possibilities. "You have it, or you have bank credit, or the boss has it. Either of the first two sources are preferable, but if that's not possible, we talk with the boss. I definitely believe that there is an inherent weakness in using a salary for a crutch. The agent becomes an individual contractor in fact, only when he is not financially dependent on the general agent or manager.

Salary Is "False Security"

"A salary for the new agent is false security and a delay of the fundamental issue. The man who will enter this business on no other basis, is, in my estimation, not actually sold on the work, let alone the concept of going into business for himself. You cannot be an independent operator on another man's payroll.

"Let's face this compensation problem with the light turned on it. The commission scale of our business is geared to the living requirements of the average man and it is time-tested. Our sales vary in proportion to price and wage levels in that, when prices and wages are high, our market ex-

pands; and, conversely, when the money situation tightens up, our sales volume normally shrinks. It requires little effort on the part of an ambitious group, such as this, to rise above the level of the average agent. We are privileged to write our own ticket on income. By paying a price, either in harder work, improved skill, more capital or a combination of all, our income level can be adjusted to order. "Check your capital and surplus account periodically, for it is a heartening practice. Don't sell yourself short! So many do and thereby eliminate themselves from the 'big income' league

Not Strictly Profession

"I don't really believe this is strictly a profession, as some of my prior remarks may have indicated. We don't (or shouldn't) hang out a shingle and wait for a clientele. We have to sell our services. Later on we accumulate some professional attributes as does any businessman who operates his business well.

"Therefore, management comes strongly into the picture as the vital function which properly allocates responsibility. As salesmen, we make our commission, but a successful businessman exercises considerable judgment in arranging his departmentalized activity to create the greatest amount of effective selling time. The human element, as a prime asset in his balance sheet, measures the true value of his time, even though it is not used at par.

"Management must allocate responsibility to grow. If you are satisfied as things are—fair enough—if you are unhappy about your present balance among capital, management and labor—change it! Apply the same philosophy to all phases of your departmentalized setup. Use discretion in relation to the limits of your capacity, energy and ambition, but don't be short-sighted.

"Believe me, when I say the possibilities of soaring your production are virtually unlimited—if you intelligently operate your business as a businessman with the proper balance of labor, management and capital. Why, if this is all so simple, do so many accomplish so little? My own slant is that, in many cases, we are often undercapitalized in relation to our potential ability and business needs—and I might add that too frequently this is not necessary. This isn't a game of chance, any way you look at it. The formula for success in our work, is a hard bitten piece of simple philosophy.

"Call on people who can afford to listen to your financial solutions. Tell them your story simply and get the full and uncolored facts of their situation, as quickly as you can drop the formality of preliminary maneuvering. With their problem in mind and their interest at heart, sell the logic of your solution. Some you sell and some you don't. Discard the deadheads who are not for you (because of your or their shortcomings) and follow up only the qualified prospects who you feel you have a good chance of selling in the future. Don't stop; you need plenty of acreage, for your seed won't grow everywhere with equal success.

Qualify Suspects in Endless Chain

"Qualify suspects in an endless chain. Visualize the process as a big hopper into which you pour names and immediately sift out through pipe lines: (1) Sales; (2) Future sales possibilities; (3) Deadheads for you.

"You can't stop turning that crank, and perpetual motion is still a challenge to the foremost scientists of which we are not. You may run into a string of four-card flushes and unfilled straights. You can stay in the game if you have ample capital back of you and play it close to your vest; the law of averages never fails! You'll bog down with service work, proposals, research and study and material and reams of literature and periodicals piled on your desk.

"Farm out the detail which can be

allocated and multiply the effective value of your time. Throw out the propaganda after sorting it and absorbing that which assignable time will permit. Don't let it stack up and paralyze your operation. As the office stenographer bogs down, get a part-time girl assistant, or share one with another agent. When you can use more time to advantage—buy it. Develop your stenographer into a secretary who thinks as well as pounds a typewriter. Insist on top-flight accuracy and neatness. Her work is your reflection. As her time becomes more valuable, get mechanical aids to conserve her time and possibly a stenographer who enables her to take over more of your essential but non-profit time—consuming activity which requires thought and training. Of course, it's an evolutionary process, but start it rolling if you haven't. Of course, it takes capital, but what profitable operation doesn't?

Law of Averages Works

"If you are turning the crank on your suspect hopper every day—seeing new, prosperous people—qualifying—cultivating with mailings and your sincerity—and retain the courage of your convictions—you can't miss. The law of averages is with you, and you'll progress steadily, even if faltering, at times, and with an increasing income limited only by the class of buyers you are approaching. You improve your technique with time and applied effort. The class of buyers you sell will improve in direct ratio with your success.

"Big business requires more capital than little business. Big business always grows from little business. You can't operate as that average agent and get the profits of big business. Maybe all the agents around you are average. I have been helped beyond words by the contact and associations of bigger men in this business. I recommend that you look up! You can start small and grow soundly and intelligently. You can't grow by sitting fretfully at your desk fighting solitaire with a pack of low-grade prospect cards, desperately trying to figure a way of netting a \$100 commission by the end of the week. You need working capital badly if you are so inclined. If you need it, you can get it.

Know Family, Business Expenses

"I know what my probable expenses will be for my family, my business, and I also want a healthy contingency fund for these next three months. I know what my established deferred and renewal commissions will bring me during the same period by simply checking my books which show a monthly breakdown of all accounts. I don't want to worry about it. I can't afford to dwell on it. I need all my time for effective selling. Perhaps my new work commissions will be low for that particular period—perhaps they won't. It isn't relatively important! It is important that I pay all bills promptly and keep my family happy by displaying full confidence in myself each day. What's the answer? Put the difference between what I need for three months and what I've already established as income for the period in my checking account. Then I go to work, happy in the thought that my working capital is up to par and I'm in a liquid condition.

"At the end of the three months I've added to my working capital to the extent of new work commissions received, so there should be a healthy balance. Maybe there is enough to pay the obligation back and maybe there isn't. If I'm worth my salt, I've progressed in either event. If at the end of three months I'm displeased with my results and the presence of adequate working capital hasn't increased my effectiveness and hasn't dispelled that ogre of financial pressure, I'd better review my methods of operation and change the factor of management or labor, as the case demands."

Reflection

THE BUILDING of any organization begins, paradoxically, at the top and proceeds downward. This fact may not be ignored nor its truth nullified, for it works its effects with serene disregard to the theories of those who seek to refute it.

Good and capable leaders attract to themselves men who possess the same attributes, and it is equally a fact that such leaders not only reject, but, either wittingly or unwittingly, repel followers who are basically bad or incompetent.

The end result of this law's operation is that no organization can ever be better than those responsible for its ideals and its methods. Every institution is but the reflection of its governing personnel—a living proof of the inescapable fidelity of poetic justice.

AMERICAN UNITED LIFE INSURANCE COMPANY

Established 1877



Indianapolis

Stricter Licensing Up to Agents

(Continued from page 12)

the past 20 years toward this objective, we gain renewed faith in Dr. Huebner's prediction," Mr. Hinkle said. "Let's see how one of the great jurists of our times defines a profession. Addressing the Commencement exercises at Brown University in 1912, Louis D. Brandeis, later to become Associate Justice of the United States Supreme Court, said:

"The peculiar characteristic of a profession as distinguished from other occupations, I take to be these:

"First, a profession is an occupation for which the necessary preliminary training is intellectual in character, involving knowledge and to some extent learning, as distinguished from mere skill;

"Second, it is an occupation which is pursued largely for others and not merely for one's self;

"Third, it is an occupation in which the amount of financial return is not the accepted measure of success."

"In spite of the apparent divergence of the opinions quoted, I believe they can be reconciled. Certainly no group within our business has a greater stake in public acceptance as professional men than the members of the Round Table.

"The term 'profession' must, in Mr. Dechert's opinion, apply to the career of a life underwriter itself, rather than to a segment of that group, who, by special study and qualifications, have put themselves at the top of those in the occupation. Therefore, if we are to attain professional recognition, the entire career of underwriting must be raised to conform to this standard. Several steps in this direction have been taken.

"The life insurance companies are exercising greater selection in the hiring of new agents and are establishing higher standards for continuation of contracts. Oddly enough, organizations supposedly representing the best interests of agents have criticized companies for enforcing such standards.

"Legislation has been tried. Through the efforts of state committees, licensing examinations have been inaugurated in all but a dozen of the states, but a large number of these states permit temporary licenses, and then give a written examination that requires about two hours of study. The exceptions are those states in which the commissioners depend upon underwriters themselves to set the standards for admission. If further improvement is to be realized, the demand will have to originate among us as field men. Silence will not prove effective.

"Twenty years ago a few men of vision created the American College of Life Underwriters dedicated to establishing an organized plan of training which would meet Judge Brandeis' definition 'intellectual in character, involving knowledge and to some extent learning, as distinguished from mere skills.' The college has been called impractical by those unsympathetic with its aims, but it has not deviated from its avowed purposes of raising the stature of this business to a professional level."

Mr. Hinkle said the campus training programs and the extension of life insurance courses in universities are further steps toward approved educational standards and now through the intermediate training program of the National Assn. of Life Underwriters wider extension of training among agents in the field may be anticipated.

"During recent years the American Society of Chartered Life Underwriters has launched projects intended to benefit not only its own members, but the

entire field of underwriting," he said. "The second institute devoted to estate planning was conducted in June and enrollments already are being received for the 1948 institute. More spectacular and wider in its application is the 'Journal', just a year old, with circulation of 5,200 copies quarterly. By extending circulation beyond our own membership, we believe we are making a contribution to the knowledge of all advanced underwriters. So far as the public is concerned, this publication is evidence that our business has attained the maturity to warrant a professional publication.

"Tuesday evening as the C.L.U. designations are being conferred to those who in 1947 have met the exacting standards of the American College, all C.L.U.s will be asked to rise. The charge which will be administered is the most essential ingredient of a truly professional viewpoint. 'I shall, in the light of all the circumstances surrounding my client, which I shall make every conscientious effort to ascertain and to understand, give him that service which, had I been in the same circumstances, I would have applied to myself.'"



Phelps Olds, executive manager New York City Life Underwriters Assn.; Gerard S. Brown, Penn Mutual, Chicago; Edward J. Schmuck, attor-

ney of N.A.L.U.; William C. Coogan, executive secretary Boston association; and Pasquale A. Quarto, John Hancock Mutual, New York City.



PHILLIPS PETROLEUM COMPANY KNOWS THE IMPORTANCE OF VARIETY!

"There's a lot more to Phillips than the gasoline, lubricants, home and auto supplies you see in a Phillips 66 Service Station. Phillips markets hundreds of products... from pints of almost 100% pure laboratory chemicals... farm specialties, household items and Butadiene for synthetic rubber... to tank car loads of liquefied petroleum gases. Yes, it's Phillips for petroleum and chemical needs."



Variety IS THE SPICE OF LIFE INSURANCE SELLING, TOO!

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ANNUITIES

Annual—Single Premium
Immediate & Deferred

PENSION TRUSTS

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More variety means more prospects; more prospects mean more sales... that's the advantage of the "full sales kit" of General American Life. No doubt about it, a workman does better with a complete set of tools! That's a good deal of the success story of the General American Life man... because he's the man with the plan for every need!... from "clean-up plan" to a policy for a new-born babe!

You're always in business with

GENERAL AMERICAN LIFE INSURANCE COMPANY
WALTER W. HEAD, PRESIDENT
SAINT LOUIS



John P. Costello, Southwestern Life, Dallas; Mrs. Sis Hoffman, Union Central, Cincinnati; Jul B. Baumann, Pacific Mutual, Houston, the new

president of N.A.L.U.; and George E. Lackey, general agent Massachusetts Mutual, Detroit.

"Get the Facts" Tompkins' Advice To Millionaires

West Virginian Warns Against Predetermining Prospect's Requirements.

Instead of predetermining a prospect's requirements, the salesman should concentrate on learning his objectives and what he has in mind, Deal H. Tompkins, Northwestern Mutual Life, Charleston, W. Va., told the Million Dollar Round Table in his talk on "Getting the Facts."

He illustrated this point with a case in which he approached the president of a retail store for the purchase by his corporation of a \$50,000 10-payment life policy. He was referred to the store's New York accounting and financial adviser whom he contacted when the latter visited Charleston.

"Standard Reason" Didn't Apply

Mr. Tompkins presented the standard reasons for buying business insurance, but was informed that while the corporation had substantial liquid assets, they were being accumulated to build up inventories, remodel the store and open a branch after the war; that the president wanted stock ownership to remain in his family, that practically all his wealth was in the corporation and he was considering transferring some of his corporation insurance to personal ownership; that if any insurance were to be bought on his life it would be by him as an individual and not by the corporation.

"The trouble with all you insurance agents is you don't find out what your prospect's objectives are—what he is trying to do," the adviser told Mr. Tompkins. "You fix up some kind of policy you think you can get him to buy, and then figure out how you can cram it down his throat rather than finding out your customer's needs and desires and fitting your product to the pattern established thereby."

What Facts are Required

In determining what facts he wants Mr. Tompkins uses a questionnaire that lists the questions he wants to ask, and the order he wants to ask them in.

"(1) We want our patient's history—family statistics, exact names of wife, children, other dependents and their dates of birth; we want a list of property owned, whose name it is in; what it is worth. We want to explore his business relationships because they represent a part of his wealth, and because human values are involved there as much as in his family relationships. We want to know if he owns his home, if he has a will, if he or members of his family are going to inherit appreciable wealth, etc."

"(2) We want to know his financial objectives, if he has conscious objectives. If he doesn't, we think it our business to help him crystalize his thinking as to what he wants his money to do. Everyone says he wants to be able to retire some day, but he can't tell you at what age or how much income he wants; he doesn't know whether his present wealth, plus his probable rate of accumulation will do the job."

"(3) I want to know his probable income during the next few years and his probable rate of accumulation and what he is now accumulating wealth in. Without this information how can I estimate the size of his estate five years off or what he can do about meeting desired goals?"

Few men object to the question: Do you have children? (i.e. if he is married). What is your oldest child's

name? What is your legal residence? Do you own your home? Do you have a will? So Mr. Tompkins leads his prospect at a pace he must set from the question, "Do you have children?" to getting a list of his property and his current income.

How to Get Facts

As to how to get the facts, Mr. Tompkins says that if a man comes to him for advice, getting the facts is very elementary. If he has been referred to someone, and built up properly in the prospect's mind as a well qualified underwriter, and if he is not satisfied with his present economy, there is no problem. Imagine now, however, interviewing a stranger who has granted an appointment. A canned sales talk cannot be used, as it must be an easy man-to-man conversation. All that can be done is lay down some general principles. He listed nine of them:

"1. You must be practical and reasonable. You must stay within the realm of your prospect's idea of reasonability if you expect to sell him."

Actual Case Cited

He cited an actual case of a man 25 years of age, married and with one youngster born this year. "I know my prospect is living in a 3-room apartment under crowded conditions—he and his wife and youngster sleeping in the same bedroom. I know he has \$10,000 of life insurance. I know too he has a definite concrete plan whereby he is saving money so that within 1½ to two years he will be able to make the down payment on a home. I know he has very little money to allocate for more insurance, and I feel a little apologetic for being there thinking about it."

Realistic Approach Used

In such a case, he said a realistic approach is necessary.

"I think that this fellow's wife, if he dies this year, within three, four or five years at the outside should go back to work or remarry. I think if she stayed around home until the child is raised, does nothing but raise the kid, the child won't be worth a damn, and she won't be either."

"So he said something like this:

"Bruce, if you die in the next two or three years, the chances are your wife will remarry or go back to work. Certainly taking care of one child is not a full-time job. Therefore let's talk about the amount of life insurance you ought to own when you have your full grown family. We believe it is important for you to establish the minimum amount of life insurance you must eventually own, if your income justifies it. If you know how much insurance you must eventually own, and how much cash value you need in your insurance and retirement age, it helps you know what plan of insurance you must buy, and approximately how much you must eventually invest in life insurance each month."

Here Mr. Tompkins commented: "No one objects to talking about how much life insurance he should own five or 10 years from now. This means you don't have your hand in his pocketbook today. I want to know how many children he and his wife expect to have, as it has a definite bearing on the amount of life insurance he will need—so I ask him."

Then he says "Well, by the time this income runs out, your wife should remarry or she should go back to work, but do you think she will be able to earn enough money to support herself and one child, or do you think we should subsidize, (subsidize is the word I use) the raising of your youngster a little, say \$60 or \$75 per month?" We have never had a young man turn

(Continued on page 42)

"The Company Back of the Contract"



A WELL BALANCED COMPANY

What is a well-balanced company?

It is, we believe, a company whose financial structure is sound . . . Whose geographical market embraces a balance of metropolitan, town and rural areas . . . Whose Head Office is advantageously located with respect to prompt service to policyholders and agents . . . Whose policy contracts include all fundamental coverages . . .

It is a company whose contributions to its industry have been recognized as outstanding . . . Whose growth has been steady and uniform . . . Whose size is sufficiently large to assure confidence and prestige . . . Whose management, nevertheless, has never lost the common touch with agent and policyholder . . . and whose reputation as a friendly company has been consistently upheld.

Fidelity is such a company. It operates with general agencies in thirty-six states. It has been "Faithfully serving insurers since 1878."

THE FIDELITY MUTUAL LIFE INSURANCE COMPANY

The Parkway at Fairmount Avenue
PHILADELPHIA

E. A. ROBERTS, President

Marketing Not Exact Science

(Continued from page 16)

ber of times that the agent gets up to bat; the number of times that he exposes himself to success; the number of times that he conducts closing interviews. "We know, of course, that there are certain times of the day, certain times of the week, which are best suited for interviews. We must so organize our days and our weeks in advance that we are never caught with our secretaries when we should be with would-be clients."

"We must determine how much of our time will be spent at home in the garden and with the wife and kids, because this factor may outweigh every other consideration in determining the size of 'S'—the extent of our success."

"With all other factors right, if we lack the will to move out, to get out among them, we most certainly will not succeed. At the start I found it helped me to list on a piece of paper the reasons why I wanted to succeed. Then when the going was a little rough I would pull out the piece of paper and read why I should go back to work. I listed that I wanted to own my home. I wanted my wife to be proud of me. I wanted my dad to be proud of me. I wanted John Yates to be proud of me."

Accent Is On the Market

"Most certainly a man must have money to buy life insurance—but that isn't No. 1 on our list. Our first consideration in determining the value of our market is the number of people approachable by us. There must be plenty of them if we are to stay in the business, and if we can't see them and talk to them, they will never be our clients."

"If we can arrange to work with a group of people, the bulk of whom are in good condition physically, our opportunities for success are again increased. Almost an afterthought, but still important, if the individuals in our group are located in close proximity to each other, enabling us to move conveniently and quickly from one to the other, another factor is lined up in our favor."

After a man has been in the business for a while, he suggested looking again to the formula to see if it has some practical application. "Suppose we want to plan for the year ahead. We learn that the national savings is off 4½% this year. That means that our market will be down a few points, so if we are to succeed on the same scale, either we must put in more time, or we must become more efficient in our methods."

"Suppose we get our commission statement some day and the figure doesn't seem quite high enough. We compare the statement with preceding months and note that the 'Amount Paid to Agent' column has been gradually falling off. We look at our formula and see that the market is unchanged and that we are still putting in the same time. Perhaps we have become cocky, and we are no longer searching for new methods, with the result that our sales efficiency has fallen off. Or, on the other hand, maybe 'E' is pretty strong, but when we analyze the case truthfully we know that we just simply aren't exposing ourselves, and that the trouble lies here. If we want to go still further we then take into account the elements that we listed under 'T' and get immediately to the real source of the trouble."

Must Improve Efficiency

"In our business we are in danger of our situation becoming static. Maybe we are successful enough to get the bills paid—but we are not lining up that new car we had in mind. We can't do much about our market, because we can't all pack up and move to California. We can't always completely eliminate our competition—and if we are putting in a reasonable amount of time on the job,



Spencer L. McCarty, Provident Mutual, Albany, executive secretary New York State Life Underwriters Assn., and Charles Currie, manager Mutual Life, Atlanta.



Wallis Boileau, Jr., second vice-president of Penn Mutual; Percy T. Hammonds, of John Hancock at New Haven; and James E. Rutherford, executive vice-president of N.A.L.U.



George C. Treadway, New York Life, president Peoria Life Underwriters Assn., and Ernest L. Maillet, New England Mutual, immediate past president of the Boston association.

we must concentrate on the only thing left—improve our efficiency."

When Mr. Evans receives a wire from the home office that the contract is approved it says; he sends a second letter to congratulate and thank the prospect.

"My sincerest congratulations! I wonder if you fully appreciate the mag-

nitude of this thing which you have done for yourself and your family. True, all you did was smear a little ink on the bottom of a piece of paper. But by this simple action—

"1. A miracle took place.

"2. You created in a split second an estate which by any other known means would have required years to build.

"3. You set up a life-giving annuity for someone you love. You wrote a will and willed money and property that you haven't yet lived to earn.

"4. You guaranteed that, come what may, your family would never lack the four necessities of life: food, clothing, shelter and self-respect. You wrote your name with indelible ink on their hearts.

KENTUCKY HOME MUTUAL LIFE INSURANCE COMPANY

ANNOUNCES A NEW AGENCY CONTRACT WITH LIBERAL FIRST YEAR COMMISSIONS AND LIFETIME RENEWALS. SEVERAL GOOD GENERAL AGENCY OPENINGS ARE AVAILABLE IN THE STATES OF OHIO, INDIANA, KENTUCKY AND TENNESSEE

Kentucky Home Mutual Life Insurance Company
LOUISVILLE \ \ \ \ KENTUCKY

ELLSWORTH REGENSTEIN

President

WHEN EXCELLENT IS THE RIGHT WORD

According to the dictionary, EXCELLENT means "choice, admirable, eminently good, select, excelling."

The Indianapolis Life Insurance Company congratulates the N.A.L.U. on the EXCELLENT record it has made through the years, and especially in the year that is just closing. Its growth in membership, emphasis on quality men and quality business, its usefulness and service in many phases of the business, merit high commendation.

With over \$188,000,000 of insurance in force and a long record of high persistency of business; with over \$50,000,000 of high quality assets; with new business setting new records; with an exceedingly well-trained and well-equipped field force who are career underwriters earning substantial incomes; with its emphasis through 42 years on Quality, Service and Safety, we believe the word EXCELLENT is also the right word to describe the Indianapolis Life.

INDIANAPOLIS LIFE INSURANCE COMPANY

An Old Line Legal Reserve Mutual Company

Organized in 1905

INDIANAPOLIS 7, INDIANA

Operating in Indiana, Illinois, Ohio, Michigan, Minnesota, Texas and Iowa

A. H. KAHLER
Second Vice-President,
Supt. of Agencies

A. LeROY PORTIUS
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THE RALPH W. HOYER AGENCY JOHN HANCOCK MUTUAL LIEE INSURANCE COMPANY

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SERVICING 72 COUNTIES
IN OHIO, WITH BRANCH
OFFICES IN AKRON,
CANTON, TOLEDO,
YOUNGSTOWN



"There's a John Hancock Contract to Fill Every Need"

American College Reports Peak Year

(Continued from page 20)

1939. This year's total exceeds that of 1946 by about 80%.

C.L.U. study groups during 1946-47 totalled 187. These study groups met in 115 cities, located in 40 states and the District of Columbia. This year's total of 187 compares with 124 for 1946 (an increase of 51%), and nearly doubles the 96 study groups of 1944.

Enrollment of candidates in this year's study groups, so far as data could be obtained, reached the extraordinary total of 4,517. This total is over twice the total for 1946, nearly four times the total for the low year of 1944, and about 45% in excess of the previous banner total of 3,125 in 1939.

Various factors helped to bring about recovery and progress. Nineteen forty-seven was the first postwar year almost entirely free educationally from the handicaps of a big war as they applied to millions in the armed services of the nation. Veterans came back in droves early enough to enroll in the fall courses of 1946. They returned properly imbued with the value of higher education for a life's career. In addition, they came as beneficiaries under the G. I. legislation. They filled the colleges and universities to overflowing. Life insurance was no exception. There was a most commendable tendency on the part of general agents and managers, home office officials, study group leaders, cooperating C.L.U.'s, and others, to encourage the large number of returning veterans interested in life insurance as a career to undertake the C.L.U. program of study.

In addition to these factors, however, was the energetic and well-organized program of the American Society of C.L.U. which cooperated with the college. The trustees and officers of the college would be very remiss in failing to express their thanks for the highly intelligent and effective cooperation they have received from Roland D. Hinkle, president, Frederick W. Floyd, executive secretary, and many other leaders associated with the American society, the report stated. The college is happy to know that the society's well-organized plan to encourage the prompt enrollment of candidates in study groups by October of each year, and to emphasize the securing of new candidates on a selective basis will be continued and intensified.

Randall Lists Vital Qualities

(Continued from page 20)

Expressing great admiration for the good life agent, the man who can sell two or three hundred thousand of life insurance year after year, Mr. Randall said he had come to have an infinitely greater admiration for the superlative agent—for the man who sells a million or more of life insurance year after year, because he is bestowing the benefits of life insurance more adequately on those he serves and also is affording its protection to more people than the man who produces a lesser amount of new business.

"For that reason I am pleased and proud to be here to extend my personal congratulations and those of the companies I represent to you who are truly the self-made elite—I might almost say the aristocracy of American and Canadian life underwriters," he said. "You have done a splendid job, for those you serve directly, for the welfare of your countries, for the companies you represent, and last, but not least, for your own families and yourselves."

Has Rare Combination

Life insurance serves so many purposes and there is such a tremendous undeveloped market for it that Mr. Randall said he sometimes wondered why there were not thousands, rather than merely hundreds of members of the Million Dollar Round Table, but he came to the conclusion, however, that it takes a very unusual man to make an outstanding success as a life agent. He must have a combination of talents, abilities and qualities that are rarely found wrapped up in any one person.

"In the first place," said Mr. Randall, "he must have the vision to see how life insurance can serve. That is not a common quality. Too many men have eyes to see, but they see not. Too many think of life insurance in terms of thousands of dollars. Dollars are merely the means by which life insurance is measured. You men who have that vision of Life insurance know that it provides security and comfort for widowed mothers and fatherless children.

"It frees home from the menace of debt. It enables children to complete their higher education, although the fathers who expected to provide that education are not there to see them enter or graduate from college. It dispenses comfort, sunshine and freedom from worry in the later years of life. It offers the means by which long cherished plans are fulfilled and dreams are converted into realities. Only the man who looks beyond the policy and the rate book, and sees life insurance for what it does, rather than for what it is, can achieve outstanding success as a Life underwriter.

NEEDS ENTHUSIASM

"Secondly, he must have enthusiasm. Yet enthusiasm is not quite strong enough a word for what I mean. He must have the evangelist's or the crusader's zeal for the service he is offering. He must realize that nothing can serve as life insurance serves; that there is no substitute for it; that it has no competitor. He must regard the man who neglects to provide life insurance protection for his family in much the same light as the old revivalist regarded the benighted sinner who persisted in sitting in the back of the tent when he should be joining the legion of the saved."

Not only must he himself have this fervent zeal for Life insurance; but also he must be able to generate a cor-

responding enthusiasm for it in the hearts and minds of those he serves, Mr. Randall said. Thus he must be able to put his thoughts and emotions into words and present these words in such a way as to make others see the picture as he sees it. It takes skill to paint a word picture on the canvas of a man's mind, he said. It takes enthusiasm to put color and action into such a picture.

"But vision and crusading zeal are only two of the qualities that an outstanding Life underwriter must possess", said Mr. Randall. "He must have others even more rare than these.

Must Sway Emotions

"He must be able to sway the emotions, to tug at the heart-strings of those he interviews, for it often takes a strong emotional appeal to bring a man to the point where he is willing to sacrifice the immediate things and pleasures that the money represented by a life insurance premium may buy, for the sake of the future of his family. The basic reason for buying life insurance is that you may not live to carry through the plans you have made for your family.

Life insurance now owned by American fathers is evidence of their unselfish love for their families as well as a tribute to the ability of those who convinced them that they should buy it.

"But a man can be an emotional spellbinder, and still not make a good life underwriter. He must have still another ability to insure his success. That is what I would term a mathematical sense, an ability to think in terms of figures and to translate human needs into monthly income or specific amounts for specific purposes. An emotional appeal that cannot be translated into specific sums may arouse interest, but is not likely to get action.

Few Have All Four

"Vision, enthusiasm, the ability to tug at the heart strings and the ability to make a quick transition from emotions to mathematics—these are some of the qualities that it takes to make an outstanding life underwriter. Taken singly, most of these qualities are not rare. Many men possess and have developed one or two of them. But rarely do you find all four of them developed and brought to perfection in any one individual. That is why it is a distinction to belong to the Million Dollar Round Table; that is why scarcely one Life underwriter in a thousand is able to make the grade; that is why I am proud to have had the privilege of addressing you and am glad to extend my congratulations and those of the companies I represent for accomplishing what it took to bring you here."



Alfred E. Gaumer
Red Bluff, Calif.



Grant Taggart
Cowley, Wyoming



Gladys Brockus
Corpus Christi, Tex.



The first busload of M.D.R.T. members starting out on the sightseeing trip which included a boat ride.

Small Employers Hold Retirement Plans for Employees

In presenting his "most successful sales idea" at the Million Dollar Round Table Hour Wednesday morning, Paul A. Hazard, Jr., New England Mutual Life, Chicago said it had grown out of the realization that small employers, too, should set up retirement plans for their employees. They frequently shy away from the responsibilities of a pension plan, and with good reason in many cases. He has found them entirely ignorant of the possibilities of the profit-sharing trust plan, which is often the only practical solution. He added that he always recommends supplementary pensions for the older employees who can not be taken care of by the trust.

"From the very beginning of our discussions, and from time to time, we state that it is usual to invest some part of the trust funds in insurance contracts in order to extend the benefits of the plan to the employees' families. As a result, we have so far placed life

insurance contracts as one of the investments in every profit-sharing trust adopted through our efforts.

Uses Ordinary Life Contracts

"For the past two years we have been using ordinary life contracts, convertible to retirement income form at retirement age, upon payment of the difference in reserves; plus a small charge, in most cases for the amount which one-third of the initial sum credited to the individual's profit-sharing account will purchase. The average insurance volume has been over \$100,000 per case. Of these plans installed for small companies, 60% have led to business insurance sales, which have strangely enough developed an average volume almost exactly equal to that resulting from the profit-sharing trusts."

Mr. Hazard feels that profit-sharing for employees is only enlightened self-interest for the employers of the nation. "Of course, profit-sharing plans, properly installed and operated, afford a fine incentive to increased production and elimination of waste; turnover is reduced, and morale improved. But on a more significant scale, if we, as a people, are to preserve capitalism, we must make it work well for the benefit of the majority not of the few.

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CAREER
Underwriters

Pioneers in the
Nationally Known
T. W. I. Method
of Sales Training
* Training Within Industry

California-Western
States
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HOME OFFICE
SACRAMENTO

ably represented at this year's N.A.L.U. convention by our three members of the Million Dollar Round Table: Grant Taggart, Life Member, Alfred E. Gaumer, Life Member, and Gladys Brockus, 1947-48 Member.

"Get the Facts," Tompkins

(Continued from page 38)

down this subsidy. So they set up \$60 per month until his child is 18 years old.

"We have already discussed an educational program and so we have what I believe to be a sound realistic program for this young man. I sold him more than \$5,000 of insurance, I have a prospect for \$14,000 more insurance during the next five years, and I have a friend."

Let Prospects Answer Questionnaire

His principle no. 2 is: "Let the prospect answer the questions." He said there is a great tendency for the agent to ask his prospect a question and then provide the answer. "Don't do it. Remember that in getting the facts we are talking about his family, the children are his children, the future we are talking about is his future, and he has a right to provide the answers. It is up to you to keep his thinking within the realm of reasonability, because he may have done little or no quantitative thinking about his tomor-

rows, but at the same time the answers must be his, because you are going to come back later and ask him to do something about those answers. And besides, if you give a prospect a chance to answer your questions, he will do much to expose his philosophy of life, his ambitions, his real interests. If we are to sell a man, we certainly want to know these things too.

Interview Belongs to Prospect

"Take your time—just relax. This fact finding interview belongs to the prospect, not to you. This is your prospect's dream, not yours, so don't rush him through it. It is my opinion that four out of five sales are really made in this interview. My prospect really decides what he wants to do and in his heart he decides whether he is willing to do anything about it at this time. When my prospect is selling himself, I don't want to rush him, and you don't either.

"No. 4. Sell yourself—take advantage of the opportunities that present themselves in the fact finding interview (or

interviews) to let the prospect know you are a well qualified underwriter. The quality of my questioning of a prospect will depend on my general knowledge of finance and business, and my specific knowledge of the business my prospect is engaged in.

"To my mind the 'fact-finding interview' is not very well named. If I come out of this fact-finding interview with only one achievement, if all I have done is get a set of facts, then the fact-finding interview is only a partial success at best. I want to establish a bond between the buyer and myself in this interview. I want him to be so conditioned that he feels I am a man he can trust, a man whose advice will be sound and reasonable. The ideal goal is to have the prospect forget I am a salesman by the time we are ready for the selling session.

Insist on Exactness

"5. Insist on exactness both from the prospect and yourself. Most men think fairly inaccurately about their future. As one man once remarked to me. It is our business to reduce this inexact thinking to exact thinking." He spoke specifically in this connection of pension benefits in the case of corporations having such plans and the need for figuring them into an overall estate plan.

"I want to pin down the prospect's thinking so definitely that when I come back with a report that calls for more premium dollars, he can't very gracefully find an escape.

"6. Observe your prospect's reactions as well as his actual answers. I want to know, by the time I get through with this fact-finding interview, whether he thinks his wife is just an old battle-ax, or whether he really loves her a little bit. I want to find out how tight he is. You know, there are some fellows so tight they cannot pay insurance premiums. I want to find out his attitude toward long term obligations and I want to find out whether he is interested in life insurance for its investment or protection. The way

you get your answer to questions like these is from the way the man answers the questions and the attitude he takes, in many cases, rather than the actual answer you get.

"7. Don't splash over into the selling interview. I have in mind a prospect who wants to get right off into rates. He is a nervous sort of a fellow and he wants to get to talking about policy rates. 'How much is it going to cost me?' Don't yield to the temptation in this fact-finding interview of quoting rates. It's a trap—don't fall into it."

"If you jump the gun and start presenting a solution to a problem before the time is ripe, you lessen your chances of making a sale."

Who Does Major Voting?

Question no. 8 is whether to have selling interview with Mr. or Mrs. and Mrs. Prospect. "Find out who really does the major voting in the family. A lot of fellows marry women who are as smart as they are. I want an opportunity to sell the smarter of the two people. I don't want to spend a lot of time selling a prospect and then have the president of the firm veto it.

"9. Proper timing. Never conduct a fact finding interview under adverse circumstances. I want my prospect's undivided attention. I want him to think undisturbed for an hour—it may be the most important hour of his life. My first sale is to sell this prospect on the idea of seeing me by appointment at some place where we will be undisturbed, his office after hours, my office, or his home in the evening. If the interview is at my office, I don't want telephone calls, and sometimes I call my secretary in after the prospect arrives and tell her we don't want to be disturbed. This is sound selling practice. I know I have missed sales by being unwilling to fight adverse conditions in a man's place of business, but I have made more and bigger ones by planning for the proper surroundings."

COOPERATION IS MORE THAN A BYWORD IN THE PENINSULAR



Prominent Members of the National Association of Life Underwriters

| | Immediate) | |
|-------------------|-----------------|---------------------------|
| R. L. Walker | Past President) | Florida State Ass'n. |
| J. P. Griffin | Vice President | Florida State Ass'n. |
| R. J. Hadsock | President | Miami Ass'n. |
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| S. R. Beeyre, Jr. | President | Sarasota-Bradenton Ass'n. |
| A. D. Chamblin | President | Suwanee River Ass'n. |

Peninsular Life Insurance Company

Home Office: Jacksonville, Florida

LAURENCE F. LEE, PRESIDENT

Ramsey Describes Five Buoys for Life Agent

(Continued from page 6)

large volume of business. Should I question if there were a parallel to this in our business, my query would be answered by advertisements run by many life insurance companies insisting that their representatives have the answer to proper and easily understood insurance programming. These ads scream at me: 'No longer is programming in the pioneer stage. Now it is a question of supplying demand.'

"In order to operate successfully in a field of supplying demand, whether it be programming, or partnership, or keyman, or otherwise, I must organize myself for maximum efficiency with a definite work plan. I must get prospects for programming, make calls, secure interviews and close sales. The calibre of my service must eliminate any competition, because I cannot devote much time to a case and still be uncertain of securing the business if any is purchased. I need have little fear of the total results, because there are many more people who need and want service than there are a sufficient number of insurance men capable of or inclined toward rendering it. Truly, this is an example of demand for service exceeding the supply."

Mr. Ramsey noted that he is not unmindful of the inroads of large group and overlapping groups, reducing term on mortgages, savings bank insurance, death benefits from social security and the continuance of the government in the insurance business. Certainly, these are absorbing much of the old concepts

of cash for clean-up, mortgage retirement and minimum income. In reflection, I mutter, "If an insurance man does not adopt 'creative' or 'service selling', or a combination of them, then he has one of two alternatives: One, he should put a 'Flitcraft' in his left pocket, a 'Little Gem' in his right, and take orders for the cheapest net cost whenever he finds it; or, two, get a job and let me know when he has for sale a 9½ C in a brown-square-toed, crepe sole moccasin. I think this, because, to me, net-cost competitive selling is on the level of that of a shoe clerk. I have never submitted competitive figures except on one case and that was in the first three weeks I was in the business."

Seller of Intangibles

Creative and service selling on a commission is profitable to a great degree only if there is present a large amount of the intangible, he said.

"I feel that a great injustice has been done to many a new man by telling him that life insurance selling is difficult because what is offered for sale is intangible. The reverse should be emphasized, i.e., that no job is of much importance unless it contains a large element of the intangible. The new man, and all old, should be imbued with the fact that one of the pillars of strength among the opportunities in life insurance is the very existence of the intangible quality.

"Paradoxically, I would like us to consider the poser that the intangibles in life insurance, or any other sales

work worthy of the name, appeal to the most tangible qualities in our make-up. "In 1934, I began selling extracts and spices from house-to-house. At that time, vanilla in 12-ounce bottles was selling for 20 to 30 cents at the grocery on credit. But my company sold its 11-ounce bottle for \$1.15 cash.

"How did they do it? I won't go into the technique, but it is obvious that it was not accomplished by selling the recognizable tangible aspects. How could one? 11 ounces vs. 12 ounces; \$1.15 vs. 30 cents; glass bottle vs. glass bottle; one label vs. another label; one screw top vs. another screw top; one brown color vs. another brown color. The purchase was made because on one side of the sale was a creative, commission salesman who recognized that nothing was more tangible than a mother's love, a wife's pride and a woman's vanity. So he sold delicious cookies, with the flavor still retained after the baking, that would be waiting when her children came home from school; he sold the pride that could come from using only the finest in her husband's birthday cake; he sold her the satisfaction of being congratulated for the best pastry at the ladies' bazaar. Intangible? I don't think so. Salesmanship? Of that, I am sure."

Actual Purchase Told

He cited an experience of his own when without any solicitation, he walked into a life insurance office. Here is the complete transaction: "Hi, Willy." "Hi, Lloyd." "Willy, I want to buy some ordinary life." "Yeah, Lloyd, sit down. How much, \$2,500?" "No, \$5,000." He took the order. Six months later, while looking at my policy, he discovered it was payable to his estate. Then and there he scratched that agent's name off his list.

"In another six months, Willy came to my house one evening. After visiting a few minutes he said, 'Lloyd, this is policyowners' month, and you can add \$2,500 more without an examination.' I brushed him off. Finally he said, 'Lloyd, you know how these things are. We are in a contest and everyone who turns in an application by noon tomorrow gets a free lunch on the boss. Let me just write up a \$1,000 policy. If you don't want it when it comes back that will be O.K. I just want to beat the boss out of a lunch.' I declined. There are several things that might be said, but only two points on which I want to touch.

"First, Willy was trying to sell me a policy based on its tangible aspects—another bunch of paper, some more premium notices. Yes, he even tried to motivate me by bringing up a death claim form. To me, in my mood, all those tangible things were unreal and lifeless.

"Secondly, and a great deal more important, another life insurance salesman had called on me that afternoon. He was in my office from 4:00 until 7:00 o'clock. The tangible record, which to me is minor, would show a purchase of \$10,000 retirement income at 65; that I was examined; that a policy was issued; and that premiums have been paid for ten years."

"Night Watchman" Policy

"To me, all of those things are a little vague and intangible. What is most definite and solid in my mind is that I purchased a 'night watchman's policy'. Unknown to that salesman, while he was discussing with me what to some are intangibles, there was solidifying in my mind the definite conviction that, by saving \$26.50 a month, I would be guaranteeing that, with \$100 a month in old age, I would never be a night watchman.

"What happened to Willy? Why, he is not in the business any more. He is now selling tangibles.

"What about the other salesman? Why, a year later I bought \$10,000 ordinary life from him. The next year I bought \$3,000 to cover a loan and an



C. Vivian Anderson, Provident Mutual, Cincinnati; Ralph Hoyer, John Hancock, Columbus; Judd Benson,

Union Central, Cincinnati, and John D. Marsh, Lincoln National, Washington, D. C.

additional \$1,500 on my wife. Then, six years ago this January, I went to work

with him. That's right. The other salesman is, to my mind, the greatest gen-

eral agent in America—my general agent, Jeff Gros."

Covering motivation, Mr. Ramsey built: "Because an intangible cannot be made tangible to the prospect except through motivation, I tried to establish my last point by using motivation. If I failed, it is not a weakness in the logic of the statement but rather a failure on my part to use motivation properly."

"I have heard insurance men say that they couldn't use motivation. Insurance cannot be sold without it. Consciously or unconsciously, it is present or there is no sale.

"Logic may dictate the reasons for buying, but action stems from emotional appeal. Because emotions vary from love to hate and from greed to generosity, if I must motivate a prospect I should consider all the appeal available and use them if need be."

He explained what he means by "seeking out people." "The main stress is usually placed on 'people' and thereby arises the hue and cry of 'prospecting is our greatest problem'. Maybe it is. However, the other two words excite me more—'seek out'. If prospecting is the problem, then in the 'seek out' lies the solution. The fact that our work allows us to 'seek out' permits me to select with whom I want to do business."

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We hope this Convention may be the best yet.

THE SECURITY MUTUAL LIFE INSURANCE COMPANY

OF

LINCOLN, NEBRASKA

Our Second Half Century

Elsie Doyle Tells Benefits of Education

(Continued from page 13)

have a second chance to call personally upon him.

One - Purpose Call

"Upon obtaining the appointment by phone, I make my first call with one purpose only—to sell my prospect the fact that we may have something to offer him that he truly wants, if he will cooperate," she explained. "As advisers we must first have his confidence. We can then hope to obtain the necessary information properly to plan and propose."

Mrs. Doyle said her most satisfactory interviews and sales have taken place in her own office. "Is it too difficult to sell your client the fact that you, like his physician, are better able to serve him where you have the proper facilities? In a diagnosis, the doctor uses all the modern equipment available to aid in his examination. We, too, have our offices equipped with time saving-equipment to aid us. His attorney prefers an office interview in which he may refer to records, legal decisions and other aids. In the privacy of your own office your client will not be distracted nor his attention diverted by phone calls, visitors and the dozen-and-one annoyances that always occur in his own place of business."

Shock Into Logic

In educating the client, it should not be difficult to convince him of the importance of spending three or four hours in planning how he should save and utilize the money he devotes a lifetime to earn. She suggested carrying a chart which will perhaps shock him into the logic of the appeal, such as one showing that a person working 40 hours per week, 50 weeks per year, will put in the following time:

| Pres. Age | To age 60 | To age 65 |
|-----------|-------------|-------------|
| 35 | 50,000 hrs. | 60,000 hrs. |
| 45 | 30,000 hrs. | 40,000 hrs. |
| 55 | 10,000 hrs. | 20,000 hrs. |

"Having reached an agreement on the time factor, do not compromise for a few minutes or even a longer period if your setting is wrong," she declared. "Impress upon your prospect again the importance of taking sufficient time, but in a place and under circumstances where attention to his problem will be uninterrupted."

Insurance as an Aid

"It is important to educate your prospect that life insurance is not designed to accomplish something new and different, but rather to help him to do better and with far greater ease the things he already wants to do, and is perhaps trying to accomplish."

Educate the prospect as to why life insurance is such good property to own. Discuss the utility of money. Money is accumulated and invested to meet certain future needs for income and to gain certain economic advantages for the investor and his family. Rather than accumulate "money for money's sake", the wise investor contemplates his needs for future income and invests his funds in such a manner that his investments will meet his actual needs and at the time the needs occur. In addition to some specific or unusual requirements, most men need future money to replace earning capacity for the family; to continue a guaranteed income after retirement; to meet financial emergencies; or to offset loss of earning power due to disability.

Life insurance contracts are unique in that they are flexible enough to meet future needs and at the same time deliver cash or income at the exact time the needs for funds occur.

Purchase Advantages

"Demonstrate to your prospect advantages, in that any unpaid balance is cancelled at death and the property passes at par; life insurance capitalizes

future earnings; the down payment for an estate bought on the installment plan may run as low as three-fourths of 1 percent; it is a unilateral contract in that the company must abide by the terms of the contract, but the insured can discontinue at will; the owner has the right to change the method of payment; the price is the same to all insurable buyers of the same age; and with disability coverage, the contract is automatically paid for in event of disability."

Ownership Advantages

The prospect should be educated in the ownership advantages of life insurance, she emphasized. He should know the protection his capital assets are afforded: The legal reserve funds of companies must be currently approved assets; life companies are able to meet obligations out of current income, and the man buying life insurance gets the immediate advantages of the operating profits of a going concern and the protection of its surplus account.

He should be shown the flexibility of the contract, and understand his rights to change the contract as originally written are incorporated in the policy. He has his choice of optional maturity dates and on election of a time to start his retirement income. He may take the interest on his matured contract—or a specified income for a certain period—or a life income.

The investment has a guaranteed liquidity. At any time in the future the policyholder may borrow at 5 percent.

Distribution Advantages

The distribution advantages of a life insurance estate are most interesting to your prospect," Mrs. Doyle stated. "Show him the economy offered by the settlement options, the certainty with which they are paid. Show him that settlement is immediate with no liquidation losses. Explain the free and safe trusteeship of life insurance funds."

"His estate has the same management benefits before and after death. In the case of many types of property, the death of the owner removes that efficient management ability which had made the property valuable and productive. Lastly, the client is interested in the favorable tax treatment life insurance proceeds receive."

Ex-Presidents Active

Many former presidents, most of whom are still active in N.A.L.U. affairs were in attendance at the Boston meeting, including C. Vivian Anderson, President Mutual, Cincinnati; Clancy D. Connell, President Mutual, New York; William H. Andrews, Jr., Jefferson Standard, Greensboro, N. C.; Ernest J. Clark, John Hancock, Baltimore; Herbert A. Hedges, Equitable of Iowa, Massachusetts City; George E. Lackey, Massachusetts Mutual, Detroit; Theodore M. Riehle, Equitable Society, New York; Grant Taggart, California-Western States Life, Cienfuegos, Wyo.; J. Stanley Edwards, Aetna Life, Denver, and Graham C. Wells, United States Life, New York.

There also were several ex-presidents who are now in company or organization work, including Paul F. Clark, John Hancock; Holgar J. Johnson, Institute of Life Insurance; Julian S. Myrick, Mutual Life; John A. Witherspoon, Volunteer State Life, and Charles J. Zimmerman, L.I.A.M.A.

Campus Course Directors Here

The two "campus course" directors, Orace R. Smith, Purdue, and A. B. Jaqua, Southern Methodist, are on hand.

New Members Give Sales Ideas

(Continued from page 10)

plied in an estate planning case. He said that the basic factor that should be remembered is the presentation of the facts to the prospect in a concise manner so that he will recognize his own estate planning problem. The facts should also be used to create within the prospect the desire to obtain the correct and immediate solution to his estate planning problem.

E. R. Erickson, John Hancock, Buffalo, discussed the pros and cons of the treasury department ruling 5515. In a scholarly discussion he said that the ruling typifies the regard the government has for beneficiaries named in life insurance policies, saying in effect that installments on life insurance proceeds shall not be diminished by income tax against beneficiaries. He said that the treasury has at last seen the wisdom of extending tax relief to widows and children of the deceased insured. He gave examples of the application of the ruling in action.

Inspirational Talk

An inspirational talk by F. A. McMaster, Ohio National, Los Angeles, brought the morning session to a close. Mr. McMaster recommended that agents take a page from their own books and follow their own practices just a little further than they do now. He said that agents turn on their charm for clients and try to develop a good state of mind for interviews with clients and prospects. He suggested that the agents carry through with that practice and take the same philosophy home with them. Too often, he said, the agent at home is a grouch instead of the personality man he is all day long. He advocated that the agent try to exercise his charms and ability to make people friendly and cooperative at home, so that the home life of his family might be happier. He suggested that the same policy be extended to fellow agents and to people met in every day activities in the community.

A golf tournament at the Tedesco Country Club was won by M. M. Matson, Mutual Benefit, Cleveland. Mr. Matson turned in a low net of 69 to win four hand made matched woods.

There were also bay and ocean fishing trips during the afternoon with beach swimming and tennis for those who preferred those sports. For the hungry athletes, a shore dinner was featured in the hotel dining room that

night.

After dinner, the convention broke up into three informal "bull sessions." These sessions covered personal insurance, business insurance, and pension and profit sharing plans. A. H. Smith, Northwestern Mutual, Nashville, Tenn.; G. W. Page, Equitable Society, Los Angeles; and Sidney Weil, Mutual Benefit, Cincinnati, were the leaders of the personal insurance group. The group seemed concerned mostly with exchanging prospecting methods and learning the methods used for gaining entrance to the office of a prospect.

F. L. McFarlane, Northwestern Mutual, Cleveland, was requested to give his tried methods for prospecting. He suggested that agents use a corporate center of influence. This man is a top man in a corporation who has access to the names of newly promoted or newly hired executives and junior executives who are on their way up in the business. He can also provide information about the men in this classification who have recently married or become fathers.

Mr. McFarlane also prospects personal friends and satisfied clients. He told about his "client a month club" which he uses to advantage. This club consists of a group of men who are tested centers of influence. Each month they are asked to send a card, supplied by Mr. McFarlane, to him. On this card they write the name of a good potential prospect, together with any information of a personal or business nature that they have available. The card also provides a place for them to indicate whether or not Mr. McFarlane may use the name of the center of influence in approaching the prospect.

Do Not Prospect Friends

As a result of this part of the discussion, the agents in the session admitted that they did not prospect their personal friends to any great degree.

In outlining his method, L. F. Duax, Equitable Society, Eau Claire, Wis., said he relied on a key corporation man and in addition spent some of his time doing observation prospecting. He said that on his way around his home town, going back and forth to his office and making his round of calls on clients and prospects, he often sees a new business organization or store, or the sign of a new doctor, lawyer or dentist. With these and other prospects, he said he may spend as much as a year gathering information on the prospect and finding a contract.

Suggests Corporation Contract

S. A. Borchardt, Northwestern Mutual, New York City, suggested that agents offer their services to a large corporation through the personnel manager. This free service two or three afternoons a week, without charge, can result in many sales of both personal insurance paid for directly by the insured or salary deductions by the employer to pay the premiums. He said that the plan includes a visit to each employee in the corporation, and an interview with each new employee. Employees, having once been seen by the insurance man, may talk with him further by appointment.

W. P. Johnson, American National, Springfield, Mo., added to these remarks by saying that he had tried the same idea and that it worked for him in smaller plants. Another of the group attending the session was emphatic in denouncing the issuance of insurance on wives or children when insurance on his own life. He presented the father does not have sufficient in his own ideas by saying that he does not sell insurance programs for employees to key corporate men on the basis of employer contributions. He

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also said that he tries to do a simple job of programming for each of the employees he interviews.

In line with the statement made by one of the agents that no one can save enough money from his income, with taxes as they are today, to live comfortably at retirement, A. H. Smith, Northwestern Mutual, Nashville, Tenn., presented an estate planning brief as he presents it. He pointed out that the brief presents the problems, and discusses each item. In the end it makes suggestions as to what the prospect can and should do. As a partner in his estate planning work, Mr. Smith has a lawyer.

The business insurance session has R. W. Frank, State Mutual, Chicago; W. T. Earls, Connecticut Mutual, Cincinnati; and D. M. Brigham, Northwestern Mutual, Los Angeles, as the panel leaders. In the main, the discussion revolved around the subject of deferred compensation. The general opinion of the group was that there has not been sufficient time devoted to thinking through the ramifications of the problems in this field, especially with regard to the tie between life insurance and the deferred payment and the options and vesting accorded the employee.

Gets Local Publicity

The Boston "Post" carried a feature story on Mrs. Addy Chandler, Travelers, Atlanta, who has already written \$1½ million so far this year. For the last three years she has done better than a million a year. A school teacher, she decided after being sold a policy that it seemed like a sort of work she would like to do. She left St. Matthews, N. C., and went to Atlanta, where she knew no one. She works only five days a week, 9 to 5.

Planned Process is Essential

(Continued from page 6)

and by guess and with false starts and stops. Others—a few here and there; a small minority of highly successful managers—have achieved a true mastery of the process of management. They know each step of the job. They know the sequence in which each step must be taken. They know the relative weights of the several parts of the job. Their mastery of the several component parts of the job of management makes the results of their effort a certainty, for they are carrying out a known process which will produce known results, and there is no reliance upon trial and error.

"Indeed, it is my conviction after many years of rather intimate contact with many phase of agency management, that granting a reasonable degree of skill in human relations (for which there is no substitute and without which there can be no hope of successful management), the difference between an average manager and a great one is this: The average manager 'manages' by trial and error, by ear and by guess, often with reasonably satisfactory results because of his enthusiasm and his diligence; and the superior manager manages by following a known and logical and orderly process, of whose every step he is master.

Certain Steps in Process

"That is why I speak today of the management process. I believe that true and lasting success is based upon the manager's willingness either to develop for himself or accept from others that series of steps which in total constitute a process, and to take those

steps enthusiastically, diligently, and in the right sequence and balance."

As to what are those steps, he said it is difficult to agree upon the steps of any job until there is agreement upon the objective toward which one aims. "I suggest that the steps of the management process should be those which will lead to the efficient building and maintenance of a sales force. If this sounds elementary or unimportant, I would remind you that in the minds of many a manager his objective is merely to build production—and that you can build production without building an agency force (and if you do that all you will have to show for a year's work will be a year's production) but you can't build a sales force without building production as a consequence, and when you work toward that goal you have many years of future production to show for a year's work."

Ten Fundamental Phases

While there are probably many different opinions as to what are the fundamental steps or "parts" of the job of management (our mastery of which will make this job into a process), he suggested 10 steps which must be mastered, that these are fundamental, and that the man who knows precisely when and how he will do each of these things is well on the road of mastering the management process and in consequence is well on the road to success:

"1. A mastery of the job of the life underwriter—which is as different from the job of management as the contractor's job is different from the

job of the architect.

"2. Skill in prospecting for, or finding, prospective agents.

"3. Skill in presenting the life insurance career in the manner which will best attract the right type of career underwriter and discourage the wrong types.

Skill in Selection, Training

"4. Skill in selection. High standards must be established; and the manager must have enough confidence in his standards and his judgment to act upon them.

"5. Skill in new man training—skill which will put a new man into the field with an established earning power



Mrs. Gladys Brockus, California-Western States, Corpus Christi; and J. Weldon Currie, New England Mutual and Mutual Benefit Life, New York City.

quickly, yet equipped to serve the public properly and represent his company and his business with credit to both.

"6. Competence in new man financing—the determination of a definite policy, the ability to carry out the policy with a credit man's view; the courage to finance and the judgment to re-appraise a man's prospect of success periodically.

"7. Skill and competence in continuous training.

"8. Skill and competence in supervision. (Training and continuous training are the processes of teaching the worker the "how" and "why" of his job; supervision is the process of seeing that he works efficiently and sufficiently.)



Two brothers who are members of the Million Dollar Round Table: S. Morris Abramowitz and J. Max Abramowitz, both of Reliance Life in Baltimore. It was the former's first year as a million dollar qualifier and the latter's second.

"9. Competent business management—the management of the office in such manner as to provide prompt, efficient and cheerful service to agent and policyholder; the business management of the agency to the end that its cost ratios will be favorable and the result profitable to manager and company.

"10. Leadership—the essential ingredient. This includes skill in human relations; skill in motivation; the ability and willingness to give the agent intimate personal guidance on intimate personal matters as well as business guidance, and it rests upon the character, integrity and sincerity of the manager."

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Leighton Named New Head of C. L. U. Society

(Continued from page 10)

insurance Co., Spokane, Wash.; secretary, J. Hawley Wilson, general agent Massachusetts Mutual Life, Oklahoma City.

New directors elected are: Western district, Robert G. Jones, Seattle; New England, New York and New Jersey, Clifford S. Bennett, Buffalo; middle eastern, Henry C. Hoffman, Baltimore; southern, W. Frank Cooper, Fort Worth; middle western, Hampton J. Sullivan, Louisville; western, Gerald W. Page, Los Angeles.

Directors who continue in office are: Douglas S. Perry, New York; Carl M. Spero, New York, Howard H. Cammack, Charleston, W. Va.; Miss Alice Ellen Roche, Philadelphia; James W. Smith, Jr., New Orleans; Clyde R. Welman, Memphis; Clarence E. Smith, Chicago; Addison W. Wilson, Omaha, and R. Edwin Wood, San Francisco.

Hinkle in Charge of Meeting

Mr. Hinkle presided at the annual meeting and luncheon. The report of the elections committee was presented by James W. Daniels, Boston, in the absence of Ray E. Flint, St. Louis, chairman of the committee. President Hinkle summarized the various committee reports which were presented at director's meetings Monday.

Secretary Martin I. Scott reported paid membership at 1,907. Treasurer Corydon K. Litchard reported a substantial reserve carried over, after making provision for the promotion of the society's "Journal," and for all other items of operation.

Walter A. Craig, editor of the professional "Journal" of the society, reported a circulation attained in months of 3,323 among non-members of the society, in addition to 1,907 members, a total of 5,230. Laffin C. Jones, Milwaukee, is circulation director.

Lloyd Klingman, Dallas, chairman of the committee on company C.L.U. associations, reported 23 such associations.

Much Forum Activity

Carl Spero, New York, Chairman of the Committee on Forums proposed an extension of forums sponsored by the local chapters with the cooperation of the society. Major forums were conducted in twelve chapter areas in the past year. The traditional forums of New York, Chicago, Boston and Indianapolis chapters were outstanding.

The report of John McNulty, New York, chairman of the committee on institutes, detailed the institute held

in June, 1947, at the University of Connecticut, Storrs, Conn. Great progress was reported from the first institute in 1946. Recommendations for extension to other areas were made.

Mr. Leighton as chairman of the by-laws committee reported approval of the membership by mail vote of new by-laws which were in process of revision the past two years.

Joseph H. Reese, Philadelphia, chairman of the anniversary observance of the American College in 1947, reported outstanding regional and chapter observances throughout the United States.

A resolution memorializing 25 C.L.U.'s who died during the year was voted. Particular mention was made by President Hinkle of the loss sustained in the deaths of Fred L. Cassidy, Seattle, past president of the Society; Irvin Bendiner, Philadelphia; Louis Behr, Chicago, and Franklin W. Ganse, Boston.

Sales Seminar, Managers, Women Meet at Same Time

(Continued from page 10)

zine and Osborne Bethea presented the trophies which "Manager's Magazine" provides for the local general agents and managers associations adjudged to have done the most outstanding work for the year.

Charles W. Campbell, Prudential, Newark, and Judd C. Benson, Union Central, Cincinnati, conducted a two-man seminar on "The Agency Building Process" and Hugh S. Bell, Equitable of Iowa, Seattle outlined what the agency head must do in "Guiding Men to Success" and described the methods that have been used in his agency to attain that result.

Women's Session Well Attended

At the women's meeting, which was well attended, Lillian L. Joseph of New York, top producer for Home Life, presided. Florence S. Johnson, Equitable Society, New York, program chairman, presented the theme of the session, "The Universal Need—Life Insurance." Other addresses at that session were: "Policy Service", Louise S. Kinsberg, Massachusetts Mutual, Chicago; "Beneficial Short Cuts", Eleanor J. Greene, Beneficial Life, Walnut Park, Cal.; "You Have To Know It To Sell It", Elsie Doyle, Union Central, Cincinnati; "How I Got My First Million on the Books", Winnifred Pickering, Canada Life, Toronto; "Deflating Inflation", Hazel B. Price, Union Mutual Life, Pittsburgh; "Business That Stays Is Business That Pays", era Sundelson, Equitable Society, New York, and "Mink Coats vs. Silk Hats", J. Jean Whitfield, New York Life, Cleveland, with a summary by Mildred F. Stone, Mutual Benefit Life, Newark.

Interest continued high in the election session Thursday afternoon and in

spite of the injunctions given at the council meeting Tuesday against campaigning, there was plenty of it going on, probably more than at any N.A.L.U. meeting since the one at Houston, when at times there were nearly as many people in hotel room or lobby conferences as in the regular convention sessions. Some of it in Boston was under cover and some not so much so.

Political Activity Revived

The lack of competition for the major offices in recent years and the elimination of contests for the next convention city, due to the necessity under present conditions of making the selection far in advance, has cut out much of the convention politics in recent years. "However, the big crop of candidates for trustee this year, particularly with the injection of the idea of greater agent representation on the board and the repudiation of agent candidates this time, has made this a real contest. There are seven places to be filled, six for the full two-year terms and one for one year to finish out the unexpired term of Judd C. Benson, who is advancing to secretary, and 14 candidates. Thus from a strictly mathematical standpoint, each of

the candidates has only 50-50 chance of election and it behooves their backers to round up all of the support possible.



Alfred N. Guertin, actuary American Life Convention, addressing the Million Dollar Round Table meeting.

W. T. Whaley, vice-president of Franklin Life, is attending the convention and he will attend the Franklin Life Company dinner Thursday night.

THERE'S LIFE IN THE BERKSHIRE

"Our new Career Contract is certainly tops! It gives us a larger, more stable income and includes death, disability and old age benefits."



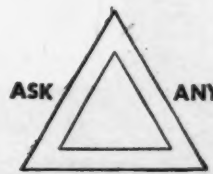
Frankly, we are very proud of our new Career Contract for Berkshire Associates. It provides for a larger and more stable income to the career man through the larger second year commission and the personal continuity credits during the entire premium paying period of the policy. It provides for a level lifetime income in old age with no contribution required of the agent. On death of the agent, it provides immediate cash for a clean-up fund and an income for 10 years thereafter. It also provides for a continuing income to the agent who becomes disabled.

Every effort has been made to provide the most modern and the best system of compensation for the benefit of our present full-time career underwriters, and also for the new men who will become associated with the Berkshire in the years to come.

THE *Berkshire*
LIFE INSURANCE COMPANY
INCORPORATED 1851

HARRISON L. AMBER, President

PITTSFIELD, MASS.



ASSOCIATE

UTAH'S CENTENNIAL COMPANY

Equitable Life and Casualty Insurance Co.

Home Office
SALT LAKE CITY, UTAH

LIFE — HEALTH
and
ACCIDENT



Fred McGregor, Mutual Life of Canada, Victoria, and Rodney Hull, who represents that company in Toronto.

GREETINGS

to

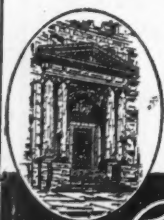
N. A. L. U.

Members

We of Bankers Life of Nebraska are proud to have a part in an undertaking the objective of which is the security and protection of the American family.

Since 1887

"Building Family Security"



Bankers Life
INSURANCE COMPANY
OF NEBRASKA

Four Guideposts to Help Agents to Success

(Continued from page 12)

because they don't know how to sell. And they can be taught. There are countless systems of selling life insurance. That's one of its beauties. But there is a tremendous difference between the artist in our business and the dub. Many of the best sales techniques used by leaders in life insurance selling are transferable. Any man can learn who will.

"It is one of our main functions as agency head, it seems to me, to drill our men constantly and keep their sales methods sharp and up-to-date. Some baseball managers were having an argument as to the most important factor in a star baseball player's development. Some said speed, courage, resourcefulness, etc. One manager said, 'What about practice?' They all agreed—there never was a star ballplayer who could do without it."

Use Eye Appeal in Selling

He believes the psychology of selling has received too little attention, in my judgment. "We have taught men about the mechanics of life insurance, but have neglected to teach them about the workings of the human mind. All too many life insurance salesmen talk too much. They bore people. They give us all a bad name."

"The eye appeal in selling is beyond doubt the strongest of all—and yet it is often neglected. All smart agency heads agree that the teaching of visual selling is paramount."

Mr. Bell's agency utilizes this in three ways: (a) Each man is taught several diagrams, pen and paper sales talks. (b) Each man is taught how to build a loose-leaf scrapbook of interesting material to help open interviews. (c) A colored chart or graph is prepared for every call-back.

Sales talks are drilled. Answers to objections are learned and drilled. The psychology of selling and the new uses and appeals of life insurance are studied constantly. Business insurance programming, package sales, all receive attention. Field training and joint work are stressed constantly.

Must Maintain Enthusiasm

His third guidepost was maintenance of enthusiasm. "Men must be helped in this regard because a blue salesman is a lot worse than a green one," he said.

Mr. Bell suggested several ways that an agency head may keep the salesman's fire bright!

(a) He must continually bring up examples of the great benefit and desirability of life insurance. No salesman can do much if his enthusiasm for his product has dwindled.

(b) He must never lose a chance to remind his men of the peculiarly attractive aspects of being a life underwriter: Freedom from worry over loss of his job; the unusual mode of compensation, which is so useful in times of stress and need; the lack of a salary ceiling to hold men down; the opportunity to live a worthwhile life and help others. All these, and many more points, may be emphasized from time to time. He can be a "want maker" and remind men of things they want to buy or accomplish.

(c) It has been said that one of an agency head's main jobs is to keep men from getting bored. Mr. Bell said this is true. So a good manager plans for fun in his agency to liven things up.

Salesmen Like Contests

(1) Contests—All salesmen like contests and millions of good business have been written as a result of them. He been written as a results of them. He thinks contests should be short—not over five weeks, as a rule—colorful, timely and well publicized. Handicaps must be used so all men can win. Work units should be recognized in most contests.

(2) Bulletins—He considers a good

agency bulletin a great asset. "It is a good idea to send each wife a bulletin and print the agency news, including items of the children and families. Send the bulletin to friends and relatives of the men, if they like, and to other agencies. It keeps the men on the spot and maintains their pride in achievement, since they know the bulletin is going to many places. Keep it optimistic and good looking."

(3) Agency Meetings—"Many men consider agency meetings a great nuisance and a bore! Why? Usually because they are simply uninteresting and too long. A salesman is a restless animal and can't be happy very long sitting in a chair. Meetings should be short, snappy, colorful, well planned and interesting. Salesmanship in its various phases makes a fine subject for meetings. The approach, closing, meeting objections, with dramatized examples, are fine. Involved topics should be handled in smaller groups of men who are actually interested in them."

"In our agency we are fortunate in being able to hold our meeting every morning from 8:30 to 8:45. It works well. The men are all on time, take a keen interest in the meetings, and we like it. Psychologists have proved that short, frequent periods of study or practice are far more productive than infrequent, long periods."

each month of the agency in the company, the leaders soon are keenly interested. Men will work harder to win these days than they will for money."

Many "Tremendous Trifles"

(c) Tremendous Trifles—"There are scores of 'little things' that an agency head can do to promote the winning mental attitude of his men. Here are just a few:

"1. A daily pen note to the men out of town is a great tonic for them. It beats a typed letter. We all know this! When we get a pen note from the president of our company we know he wrote it."

"2. Birthday gifts for the children and Christmas remembrances for the agency families are appreciated."

"3. Newspaper publicity for men when they deserve it and letters to their policyholders and friends on the occasions of more importance are valuable."

"4. Never give men bad news in the morning. Hold declinations, etc., until evening."

"5. Pay the check. A survey showed that men most of all objected to stinginess on the part of the manager. Paying the luncheon check is cheap."

"6. Phone the men out of town at least every 10 days even if there is no special reason to do it. It is surprising how they appreciate it!"

"7. Keep an eye on the cashier's department and be sure they realize the



At the Travelers dinner for the M.D.R.T.: Standing: Howard D. Goldman, Northwestern Mutual, Richmond; A. E. Gillman, Northwestern Mutual, Baltimore; seated, Herbert Karlsruher, New York Life, New

York City; Meyer M. Goldstein, Connecticut Mutual, New York City; Vincent Milette, Northwestern Mutual, Newark; Stanley A. Borchardt, Northeastern Mutual, New York City.

(4) Agency Esprit de Corps — An aggressive, friendly, up-and-coming agency spirit is worth thousands of dollars to the men in the group, Mr. Bell said. The agency head may develop and foster this in many ways:

Develop Success Attitude

(a) The Success Attitude—He can constantly emphasize that a man must succeed or bring discredit on the agency. "In our agency it is well known that we honestly and truly don't want a man who cannot at least make the Q.M.D. R.T. by his second year. Thus a new man is inspired to do his best and the old men don't dare to let down."

(b) Agency Leadership—"An agency head can let the men know how eager he is that the agency be a leader. It's like a football team—no coach or team ever won many games if they didn't care. And if the coach didn't care, neither did the team. By publicizing the ranking

importance of sympathetic encouraging relations with the salesmen."

"8. When a man deserves a pat on the back or a boost, enlist the help of the home office by asking the president or agency vice-president to write him a letter. Tell him what is needed."

Don't Forget Family

"9. Don't forget the family. Take men and their wives to dinner and a show once in a while—let him win it from you by making a certain goal or quota. Drop by their homes and pay a visit occasionally. Be a friend to them."

"10. Spot Performances. Often a man can be saved by just getting him to pay attention to one item—such as getting six good new names every day for a week; making three extra calls every day for ten days, etc. Offer him a lunch or some such inducement."

"11. Consult the men. It is good judgment to ask men their opinion on

agency matters and changes. They will appreciate it and will usually have constructive suggestions, too."

"Set the Example"—The fourth great guidepost, he said, is possibly the most important of all. "No leader will get his men to do more or go further than he will himself. Whether we like it or not, we are examples to our men 24 hours a day. If we don't like the idea, we should go into personal production."

"There are four main ways in which we guide men to success by our example:

"(1) Personal Habits—An agency head who is slovenly in his dress will usually be surrounded by a poor looking crew! On the other hand, if he is well groomed his men will be also. If he uses poor language so will they. If he drinks too much, many of his men will follow suit. However, if he is a man of character and pleasing personality he is a constant inspiration to his men. We all can look back to men who have influenced us tremendously for good or ill."

"(2) Industry—A lazy agency head will usually have a lazy gang of agents. If he drags down late in the morning and goes home early in the afternoon, so will his men. If he plays golf two or three days a week, he can't very well turn the heat on his men to work while he plays."

Manager Must Know His Business

"(3) Competence—A manager must know his business and keep abreast and even ahead of the times. He must know the uses of life insurance and how to sell it. He must keep a jump ahead of his men if he is to inspire them to success. This is easy and fun—all it takes is about 30 minutes each evening reading the interesting insurance journals and books that come out. He should be a C.L.U."

"This does not mean that he be an expert in technical fields. He may well train men who will surpass him. But it does mean he must have a good working knowledge of these fields, at that."

"(4) The Will to Win—No man who is heading a group of men is worth his salt if he is not an optimistic, fearless fighter. Otherwise, he himself is a drag on his own organization. This does not imply a silly attitude that the future is all rosy. But it does mean that he will aggressively plan to meet future obstacles and attack them with the determination to come out on top. And with this spirit he usually will. He dare not show the white feather if he is to have the respect of his men. He must find ways to charge his own batteries and pass on this power to his men."

Have Tremendous Responsibilities

"As agency heads we have a tremendous responsibility to our men and to our companies. Likewise, the companies are beginning to realize that they too have a definite responsibility to the men in the field and that the day is passed when a big personal producer can be 'rewarded' by giving him a general agency. Surveys show that many men are unhappy so far as their agency heads are concerned. They do not want to pay bounty to some man who's virtually a parasite upon them and who does nothing to help them. On the other hand, there are thousands of men who are delighted with their agency heads because they welcome and prize the inspiration, education and interest of an able man whose principal objective is to help his salesmen succeed."

"There is no greater thrill in the world than to watch the development of a fine young chap as we guide him through his trials and troubles to the success which he achieves as a career life underwriter. And as our men succeed, so they bring success to us too, and, best of all, in attaining our success, all of us in this wonderful business bring comfort and security to millions who would otherwise grow old and die in sorrow and despair. Certainly there is no finer vocation in the world."

Incentive Tax Basis Approved

(Continued from page 10)

action on that proposal may be expected. Furthermore there has a divergence of interpretations as between the social security administration and the Treasury department.

Last June the United States Supreme Court handed down its first decisions defining the word "employee" as used in the social security act and the implementing tax laws. The court decided that the test of the employer-employee relationship for purposes of social security legislation is not the rigid common law test of control but that a broad interpretation of the word "employee" is necessary to accomplish the social purposes behind this legislation. The court, therefore, followed the definition that it had given to the labor relations act in the *Hearst* case.

The language of the Supreme Court decisions is extremely broad and leaves open many questions, but it was immediately apparent that these decisions would probably require reconsideration by the Treasury department and, to a lesser extent by the social security administration, of existing regulations and operating policies as to who were "employees" within the social security act and the accompanying social security tax statutes.

Confer With Government Officials

The committee, therefore, met in New York in August to discuss the effect of the Supreme Court decisions upon the problem. It also met with representatives of the joint LIAA-ALC social security committee. Upon the suggestion of the N.A.C.L.U. committee, in which the representatives of the company associations joined, the Treasury department and the social security administration arranged a joint conference at which the OASI status of life insurance agents could be discussed so that amendments of regulations and policies established by these two administrative agencies in the light of the Supreme Court decisions might take full account of the situation of commission life insurance agents. This conference was attended by two representatives of the active association and one each from American Life Convention and Life Insurance Association of America.

The conference was exploratory in nature. Officials of both the Treasury department and the social security administration have been studying the extent and nature of the administrative changes required by the recent Supreme Court decisions. The conference explored in some detail not only the legal implications of the Supreme Court opinions but the nature of and variations in the relationships of life insurance agents to their companies. The discussion developed questions on both sides which require additional study and preparation. At the suggestion of the Treasury Department officials, the N.A.L.U. committee and the parallel company associations committee will undertake these studies and confer further with the Treasury and social security board officials with respect to them.

Conference Precedent Making

Mr. Schmuck, in commenting on the conference with governmental officials, said it probably was the first time that representatives of three governmental agencies had sat down around the table with representatives of the life companies and N.A.L.U. and that it certainly represented progress. He said that these conferences and the serious approach and realistic purpose which the government officials displayed will go a long way to clarify the present OASI status of commissioned life insurance agents.

"Certainly, all concerned recognize that if the Supreme Court decisions

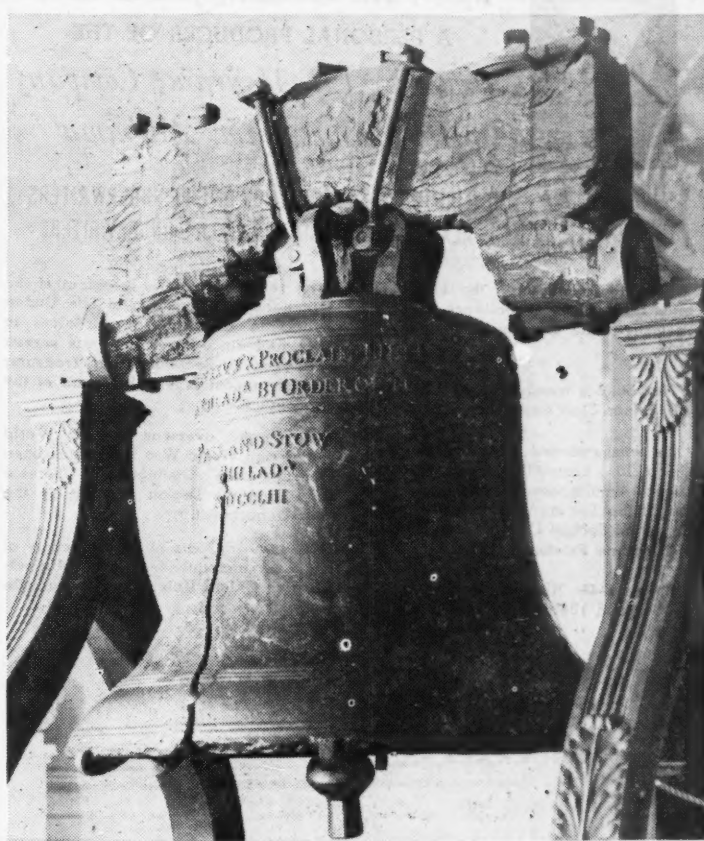
and the new regulations and rulings are finally concluded to be broad enough, to blanket under OASI the vast majority of commissioned life insurance agents not now covered, it is important that proper leeway be allowed to take account of variations and even individual situations which would not fit into a general pattern," he said. "On the whole, we are much encouraged and look forward to the opportunity to continue our conferences."

As attorney for the association, he said he felt obliged to express to the members an opinion as to possible collateral effects of these recent Supreme Court decisions. The word "employee" is used without definition not only in the social security tax laws but in the income tax laws. "I have no idea at this time what the Treasury will do but, it is highly possible that in redefining the word 'employee' to fulfill the Supreme Court decisions under the social security tax statutes, an effort will be made to apply the same definitions to other tax statutes, such as

the income tax law," he said. "I repeat that I do not know but that it well may be that the Treasury would be reluctant to have different definitions of the same word for purpose of different tax statutes. The legal questions involved here will require considerable detailed study by all who are concerned but it is obvious that if there were a single definition and that definition were sustained by the courts, then all who come under social security would probably be subject to income tax withholding and would probably be entitled to benefits of Sections 165 and 22 of the internal revenue code under properly qualified pension plans."

New Institute Display

A new visual methods of presenting the work which life insurance is doing, prepared by the Institute of Life Insurance, was described by President Holgar J. Johnson at the meeting Monday of the committee on life insurance information, with Steacy Webster, Provident Mutual, Pittsburgh, presiding. It will be used at the regional conferences to be conducted by N.A.L.U. this year.



A Message of Freedom

Life Insurance sustains and reinforces a democracy. It recognizes the importance of the individual and the sanctity of the home. It enables men to be self reliant and provide economic security for their families. It brings freedom from want, worry, and insecurity. It is an integral part of the American Way of Life.

Beneficial Underwriters are taking this message to the people of their communities.

BENEFICIAL LIFE
INSURANCE COMPANY

SALT LAKE CITY, UTAH

GEORGE ALBERT SMITH, President



Tennis players at the Million Dollar Round Table meeting: Lawrence Howard, Fidelity Mutual, Boston; Lester Rosen, Union Central, Memphis; DeWitt Stern, Connecticut Mutual, New York City; and John O. Todd, Northwestern Mutual, Chicago.

To Hold Breakfast for State Assn. Secretaries

An innovation was the scheduling of a breakfast meeting of state association executive secretaries, slated for Thursday. Local association secretaries are invited to sit in. It is the first time such a gathering has been held at a national convention, though a few got together last year at Cleveland, Spencer McCarty, Provident Mutual, Albany, executive secretary New York state association, is chairman.

In spite of his recent disability, which necessitated his relinquishing his duties as general manager of Life Insurance Agency Management Assn. for a time, John Marshall Holcombe, Jr., was on hand as usual for the N.A.L.U. meeting.

Managers Discuss Agency Building

(Continued from page 8)

a period of 30 days. He should be careful to see that the man understands the selling process, getting him to describe it, not taking it for granted that he understands. In discussing compensation the prospective agent's wife should be in on the interview.

Mr. Benson said it is important to keep constantly before the agents the rewards of success.

The other half of the two-man seminar, C. W. Campbell, Newark manager of Prudential, in discussing the agency building process said it is necessary to prepare for the change from a seller's to a buyer's market. He said the manager's job needs much in study if it is to be efficiently handled. In developing an agency it is not easy for the manager to decide whether to devote his entire time to building his agency or use some of it in personal production because he can often make more money in the early years by the latter course.

Training Course Described

Mr. Campbell said his agency has a two weeks' basic training course. Two of the assistant managers are in charge of training all the new men, not only for their own production units, but for those of the other assistant managers as well. This two-week basic training period has done more to get men into production than anything else, he said though conceding that many would not agree on its value.

When the new man is assigned to a production unit the assistant manager in charge of the unit continues his training on the job. The training procedure should be written out, he said and then constantly modified as improvements are made. The agency quickly qualified under the G. I. bill as a training on the job agency but the trouble has been that the agents were soon making enough money so that they no longer received government benefits and it was somewhat difficult to get them to continue their regular training procedure after that.

It has been found best not to have a unit manager supervise more than 12 full time agents and not more than four of these agents should be comparatively new men. In appointing assistant managers the question always comes up whether it is wise to take a half-million personal producer and make him an assistant manager; although he can continue to write personal business his production usually drops to about \$100,000. However, being an assistant manager is a necessary step on the road to becoming a manager and this is quite an incentive.

Need Administrative Facilities

An essential function of an agency Mr. Campbell said, is an adequate administrative organization and lack of this is a frequent cause of failure. The agency staff is divided into those who handle old business and those who handle new business. The former take over when the first premium has been paid and have full responsibility from then on.

Mr. Campbell said that he heard very little about eliminating agents who had proved unsuited to the business but a man should never be kept on longer than it is to his advantage or that of the agency. Yet deciding to drop a man is a difficult decision to make. The man will probably plead to be permitted to stay on a little longer. Mr. Campbell's system is to ask a man to set down his own estimate of how much time he needs, which will usually be 30 to 60 days, although Mr. Campbell is willing to give him up to 90 days. He is then asked how much he should pay for during that time and if he proves unable to meet this figure during this specified

Easley Heads Women's Q.M.D.R.T.

(Continued from page 10)

N.A.L.U. in 1936, it was considered eminently suitable to pay especial honor to the charter members at this meeting. There were 37 of them, six of whom have died, and 10 of them were guests of the Round Table at the luncheon. They included Mrs. Dorothy S. Briggs, Miss Hermine R. Kuhn, Mrs. Lillian L. Joseph, Miss Corinne V. Loomis, Miss Ellen M. Putnam, Miss Helen B. Rockwell, Miss Anna L. Wiswell, and Mrs. Walter J. Came.

Mrs. Gladys Beckett Jones, president and director of Boston Junior College, spoke on "Our Responsibility to the American Family."

Mrs. Berenice M. Eichenbaum, Guardian Life, Kansas City, program chairman, was in charge of the afternoon session, which featured an "Information Please" quiz. The charter members constituted a panel, with Miss Loomis as moderator, which fired questions for James Elton Bragg, Guardian Life, New York, as the "expert," to answer. Most of them brought in rather involved estate and income tax problems, pension trust and social security questions, but Mr. Bragg acquitted himself nobly, with some assists from members of the panel, usually the one who had asked the questions.

Before the quiz session, Mr. Bragg said it had been suggested that he speak briefly on women finding their place in life insurance, but declared that they had already found it. He said it is necessary in order to deal properly with a prospect's problems to know something of his economic and political environment, and then presented his views regarding the present and future economic situation in the United States.



Walter J. Wheeler, attorney Northwestern National, addressing the Million Dollar Round Table gathering at Swampscoot.

A reception was held at 6 p.m. Tuesday with Mrs. Frane Ferrick, Miss Kuhn, Miss Elsie M. Matthews, Miss Mary La Bella and Miss Kelley, all of Manhattan Life, as hostesses, followed by the annual banquet, at which W. Eugene Hays, New England Mutual Life, Boston, spoke on "Life Insurance as Property" and Mrs. Elsie Doyle, Union Central, Cincinnati, gave several vocal selections.

Membership At New High

Chairman Kelley announced membership this year at a new high of 214, a gain of 60 over last year.

There are 84 women who qualified this year for the first time, 41 who qualified for two successive years, 52 life and qualifying members, 15 renewing life members, 21 new life members and one honorary member.

The 214 women represent 49 of the country's prominent life insurance companies and are the daughters of 39 states, the District of Columbia, the Territory of Hawaii, Canada, Alaska.

period he is automatically out. At the same time the man's associates feel that he has been given a fair deal.

FOR TRUSTEE of the NATIONAL ASSOCIATION



Robert M. Goodall, Jr., C. L. U.
A PERSONAL PRODUCER OF THE
Protective Life Insurance Company
In Birmingham, Alabama

Sponsored by THE BIRMINGHAM ASSOCIATION OF LIFE UNDERWRITERS
Endorsed by THE ALA. STATE ASSOCIATION OF LIFE UNDERWRITERS

Bob Goodall entered the Life Insurance business as an ordinary agent for Protective Life Insurance Company in 1935.

Has been a member of the Protective Life Honor Club each year.

He was awarded the C.L.U. designation in 1941 completing all five examinations simultaneously and this year taught the Tax and Business Insurance Course of Section C at the University of Alabama Extension School.

Received the National Quality Award in 1946 and 1947.

He resigned as Vice-President of the Birmingham Association of Life Underwriters to enter the armed forces in 1942 and since his return has served one year as Secretary and Treasurer and at present is Vice-President of the Association.

He served overseas in both World War I and World War II and has been awarded the Distinguished Service Cross and the Legion of Merit by the War Department.

He is a graduate of the University of Alabama and attended Cornell University and Oxford University for graduate work.

PROTECTIVE LIFE
INSURANCE COMPANY



WILLIAM J. RUSHTON
President
BIRMINGHAM, ALABAMA

Forward With Giant Strides

Woodmen field men are taking giant strides forward in offering American men and boys sound life insurance protection plus the benefits of the Society's many-sided "Fraternity in Action" program. They are greatly outdistancing last year's record gains of 22,720 members and 24 million dollars of insurance in force. In a recent 60-day campaign alone, they secured 19,304 membership applications for \$24,075,000 of insurance protection.

WOODMEN OF THE WORLD

Life Insurance Society

• OMAHA, NEBRASKA

Develop Sales Characteristics

(Continued from page 6)

literally walks over good business which might be had through a general approach. "Most of us should, perhaps, remain general practitioners, for many a man who spends the major portion of his time on self-improvement with the idea of becoming a specialist has finally come to resemble the Chinese proverb, which runs something like this: 'He who covers the chair and not his territory is always on the bottom.'"

"How I use today determines how tomorrow will use me. The ability to learn from others, and more particularly from our own defeats, is a trait very necessary."

Happiness, Mr. King declares, must be properly placed. "We must realize that it is a manner of traveling and not a terminal, and since today is the tomorrow of yesterday, we must each day take stock and begin again if we are to go ever onward."

Interest in People and Problems

An approach to strangers in terms of their own interest is certain to produce favorable reactions. Genuine interest in their problems makes an agent an interesting person to them and welcome. Judgment of the time and place when the other fellow is ready and willing to listen plays a very great part in the final outcome. "When willingness to listen is in evidence, we must remember that an open mind is but a pint-bucket and a quart of new ideas cannot be instilled therein satisfactorily at one time. One of the best

"We must cease making salesmanship a mysterious process; rather, it is the simple process of letting the other fellow have what he wants. Often he may not recognize the want as such until we lay bare some of the facts of life which lie just below the surface in his thinking."

Measure What He Has, Desires

Another way of proving genuine interest in the prospect's problem which he suggested to analyze that which he has and measure it in accordance with that which he desires. After this is done, one may well prescribe, and often without any effort a sale will result. He cited one extremely gratifying case in his own experience. In a social group one day he was asked by a man what his business was. Upon being informed, the inquirer said, "You should come to see me." Naturally, a few days later Mr. King called and was advised that the prospect thought he would buy \$10,000. "On analyzing his previously existing coverage and checking it against what he desired to accomplish, I suggested that the need was much greater, and immediately catching the point, he purchased \$25,000. He appreciated so thoroughly the thoughts we raised in his mind that he gave me an introduction into his firm and since that time I have enjoyed nearly \$100,000 of additional business."

One of the finest ways to demonstrate an interest in people, he said, has to do with the remembrance of birthdays and other anniversaries. "We have used the telephone principally in later years on birthday calls and now and then, when we are a day or two late in reaching someone, invariably the query comes back when the call is made as to where we were on the proper day or a remark to the effect that they anticipated a call all day. In other words, there seems to be a deep appreciation of our interest, and naturally it has proved over the years not to be coupled with an immediate monetary consideration, which is perhaps the answer after all."

"However, on an average of one per week, in these calls, a query is made which leads to a sale."

Each Day a New Adventure

"Just as the game of golf should be one of competition against par, carried on with a high degree of enthusiasm, so must one's general attitude be as it relates to the so-called daily grind. To me, each day seems like a new adventure, and I often wonder just what will develop."

Recently Mr. King called on an old policyowner to give him any service he might appreciate or desire. He was in conference with one of his junior executives and Mr. King stayed but a few minutes, mentioning among other things of the activity of the public in buying for boys. As he was starting for the door, the junior executive said, "Wait a minute, I have a boy." The following week they scheduled his intents and desires against what he possessed, and a \$5,000 policy was the result.

"Naturally, this continuous circulation takes time and by many would be considered work, and perhaps it is, but if one really enjoys coming to grips with other personalities, he will soon realize that happiness is a way of life and not a terminal. To design a system which will make such work fun is the real problem."

The measure of success always seems to depend on the willingness to pay the price—more horsepower and less exhaust. Some very interesting experiences as a result of attempts Mr. King said he has had to follow through after the prospect's or buyer's mind was opened. "When a sale has been made and an open mind is in evidence, the

iron is hot, and matching needs as opposed to just delivering the policy at hand, results in much good business. In one recent case this meant a difference of \$20,000."

Keeping up with progress made by clients requires a lot of follow-through in some instances, but pays extremely fine dividends. He recalled one case where this procedure has meant over the past 10 years better than \$100,000 in units of \$10,000 to \$20,000 each. "Too often we allow ourselves to be wound up in so much red tape in the matter of building programs that too few cases can be handled to allow the law of averages to work in our favor. A large vocabulary is of undoubted value, but the ability to say it in a few words and to occasionally shut up altogether is of even greater value. Repetition makes reputation. You cannot continuously plan and serve the public without becoming proficient and having that efficiency generally known."

He regards the telephone as being an invaluable aid. "Without it we would never accomplish the volume necessary to assure success, but let's take a tip from the radio and remember to smile and keep right on smiling, as this prevents one's voice from being flat and uninteresting. We make it a rule never to use the telephone on selling calls when tired or otherwise out of sorts, as under such circumstances



Donald F. Barnes, director of research, N.A.L.U. and E.G.L. Zalin, director of the newly established Life Underwriter Training Council.

it is impossible to put the zest in your voice, which would make 'seeing you' sound attractive to the other fellow."

"Let's include everything in our kit except alibis. There is one man who is always welcome—he is the man who delivers the goods. While the failures sit around and complain and hope for a break while refusing to travel the extra mile, fearing that he may work too hard in proportion to possible compensation, the man who goes the route serving without stint is always welcome because he delivers the goods."

WHY RELIANCE SALESMEN ARE Successful!



ALL FOR ONE AND ONE FOR ALL

From one million capital to \$225,000,000 assets in 44 years—that's the story of Reliance growth. During the same time insurance in force grew from zero to over \$780,000,000.

But these figures don't tell the whole story. They indicate a very successful company, but there's another side to the picture—Reliance representatives have grown with the Company. They and the Reliance are still growing—rapidly. Old and new men alike are going forward with Reliance.

"The Reliance Life—A Fine Company"

RELIANCE LIFE

INSURANCE COMPANY OF PITTSBURGH

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Mrs. Hugh Bell, who husband is general agent of Equitable of Iowa in Seattle; Charles Currie, manager Mutual Life, Atlanta; and Mrs. Millard Samuel, who husband is with New England Mutual in Portland, Ore.

cases I have had the pleasure of handling in years resulted from a continued refilling of the pint-bucket over a period of 90 days, giving added information each time there was indication that the previous information had been digested."

Be Simple and Direct

Mr. King advised to be simple and direct and to the point. "Recently in a case of which I have knowledge," he said, "after the smoke of competition had cleared away, it was discovered that the prospect had asked three underwriters the same questions and purchase was made from the one who answered his questions directly. Incidentally, the sale was much larger than originally contemplated. In another case, where competition was suggesting a presumed method of corporate payment of premiums with an eye to possible evidence of some tax saving, it was possible to demonstrate that a direct procedure would, in the end, actually entail less tax than the clever tax avoidance. One place where such procedure pays dividends is in the field of a simple program. By asking a client what he wanted and then proceeding to arrange it for him, a \$10,000 case recently became a \$30,000 one."

"I'm in the Life Insurance Business", Mucci Tells 'Em

(Continued from page 6)

but as I grow older I know better. What I am really discovering is that people like life insurance.

Gets Cards

"Of course, I don't just stop after telling the people I meet that I am in the life insurance business. Nine times out of 10, before we part I have their cards and they have mine. If I were to take you to my desk right now, I could show you 200 of those cards—and a lot of the names on those cards will be names on policies before the year is over. What's more, everybody on that list knows that I am in the life insurance business and when I call on them they will know exactly what I am there for."

Naturally, he doesn't just reach into a man's pocket to get his card. He may say, "Mr. Johnson, some people collect autographs; I collect cards; may I have one of yours? Or he may say, "I like to do people the honor of remembering their names. May I have one of your cards, Mr. Williams?" If they don't have a card he has them write their names in full on one of his. He hasn't any standard way of asking for a card. He fits his request to the man and to his mood.

Mr. Mucci tries to train his centers of influence. He may say, "Bill, not everybody has a plan like yours, and not everybody can get one. I haven't the time to give it to any Tom, Dick or Harry. However, if you have three or four friends who should be interested in this, I will be glad to see them. But I won't do it for just anybody—they must be people like yourself who really know what it's all about, and who have a mentality like your own to appreciate it."



The World's Largest Exclusive Health and Accident Company

Delivers more than 300,000 claim checks per year to disabled persons.

Insure Premiums on Life Insurance By Assuring Your Policyholders An Income When Sick or Hurt



Mr. Mucci is a member of a good golf club and tries to keep his game reasonably sharp. In that way he associates with more people who would like to team up. He gets possibly 40 or 50% of his prospects through these contacts. However, he emphasized that just joining a golf club, or any other club or organization, won't help if that's all you do. The thing that counts is the attempt a man makes when he meets people, as well as afterwards.

"For example, I spent two weeks' vacation this summer at a very nice hotel on Cape Cod," he said. "Actually, the atmosphere and the clientele were just a little too exclusive for me—in my present circumstances. I wasn't one of those able to drive up there with a chauffeur. Before I left, quite a few of the folks, and in particular the proprietor, urged me to come back next year. I told the proprietor and a few of the guests, 'I appreciate the compliment, but if I haven't told you before, I must tell you now, that I'm in the life insurance business. I'd like to come back next year, but if I do, you've got to see that I meet some people who ought to have the kind of life insurance advice I can give them.' Should I, or shouldn't I have told him I am in the life insurance business? After all, we can't expect people to look us up, or knock us down and take policies away from us."

Needs Judicious Persistence

Regardless of whether a man has a contact, a plan, or an appeal, the life insurance business also calls for a reasonable amount of properly applied persistence. One prospect, when Mr. Mucci first met him, already had \$480,000 of life insurance. He had about all the protection that he needed, so far as he personally was concerned. But Mr. Mucci telephoned him anyway and said, "Bill, I'm coming up to see you." He said, "Pat, don't bother. You're a nice fellow, and you are welcome as a friend any time—but when it comes to life insurance, I'm loaded." Mr. Mucci said, "I know you're loaded—everybody knows you're loaded. But I'm coming up anyway."

When Mr. Mucci called at his office, the prospect said, "Glad to see you, Pat, but let's get it straight. I'm buying no life insurance." Mr. Mucci said, "I hope to tell you, you're buying no life insurance—at least, not from me, and not for yourself. Anyway, I didn't come up to talk to you about you. I came up to talk about Bud."

The prospect said, "What about

Patrick Mucci began work on a Metropolitan debit in October, 1945, and finished that year with better than \$100,000 of paid ordinary. In 1946 he placed \$697,000 of ordinary and \$2,200 of accident and health premium. Up to the end of June this year he had placed more than \$300,000 of ordinary and \$416 of accident and health, with \$3 of industrial increase. He was drafted twice in the recent war, once before Pearl Harbor and once after war was declared, and served 5½ years in the army. His favorite sport since childhood has been golf. In 1945 and 1946 he and his partner won the two-ball championship for New Jersey.

Bud?" He had already forgotten all about himself. Mr. Mucci said, "He's seventeen now. When he's about 37, he will be having a family growing up, and the load will be heaviest. It would be pretty nice for him if just about that time he had a plan of insurance all paid up, wouldn't it? How would you have liked something like that, when you were 37? Trouble with



These men had charge of registration for the N.A.L.U. convention: seated, left to right: Hugh L. Walker, Lester von Thurn, chairman, M. Paul McSweeney; standing, Varney W. Mosher and James E. Hollyday.

the plan, though, is that it has a drawback I think I ought to tell you about." He said, "What's that?"

Ceiling To Bait

"Well," Mr. Mucci said, "there's a ceiling on the plan. I won't be able to get Bud more than \$40,000. Still, it is enough to give Bud a good start. Of course," said Mr. Mucci, "my friend hadn't been thinking of \$40,000. He hadn't been thinking of anything. But it's remarkable the way a man will go for something that's hard to get or something on which a limit has been put. He bought \$40,000 for Bud on the 20-pay plan, and a little later, another \$40,000 for a second son."

Mr. Mucci has found the sale of insurance to fathers, on their sons, one of the best of all approaches, particularly where the agent is dealing with a man who already has an ample program of his own.

"It has also been my experience that too many agents play down their prospects, instead of playing them up," he said. "For instance, I don't like it, when I go into a store to buy a suit of clothes, if the salesman starts me with the \$35 numbers. Maybe I will end up with the \$35 numbers, but I don't like it when I am spotted for a \$35 prospect. I like the salesman who starts me with the best he has. Maybe I can't afford it, but I like to have the salesman imply that I can. I even feel better if, after all, I still walk out with a \$35 outfit."

Pleased at Compliment

"In my case, I may obtain an application from my prospect for a \$5,000 plan. He takes his medical examina-

tion and passes. When I call, I call with two policies for \$5,000 each. 'Congratulations,' I say, 'you passed that medical examination with flying colors; the doctor's report says you are sound as a boy in heart, wind and limb; you've qualified 100% for that plan we arranged for the other day, and here it is. In fact, it occurred to me since you passed that exam so well, that you might want to make the most of the opportunity, so I had the company issue you a second plan in the same amount. You've already taken the examination, and you will never be healthier.' I don't always sell two for one, but I do it often enough to make it well worth while. I have never yet met a prospect who was insulted, because, as I tell them, it is a compliment to a man to know that both his health and his credit are good."

"You know what I think? I believe that a lot of us try to make selling too complicated. We start with a mental hazard—like a waterhole in golf. It is only 25 yards over the water and we could putt across. But no—there's a little water ahead, and so we put on pressure; we forget about taking it easy, and slam the ball as if we were trying to belt it across Boston Bay. What happens? Nothing—except that we've lost a ball and we are well on the way toward losing another. The same thing is true about approaching a prospect—we figure, and calculate, and work up something elaborate, when maybe all we have to do, in a nice way, is just to let him know that we are in the life insurance business."

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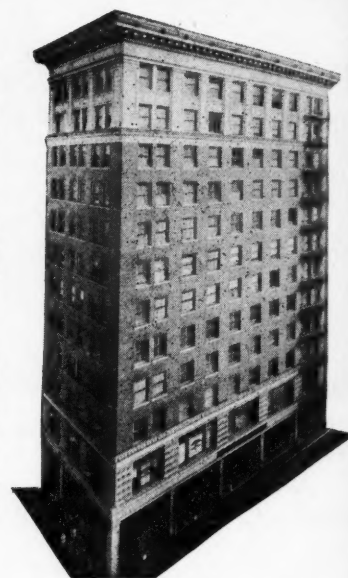
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Pioneer mutual life insurance company west of the Rockies, Standard is today nationally recognized as one of the highest rated insurance companies in the country.

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The objectives of National Life's historical advertising series, which has been running continuously in national magazines for 13 years, have been—1. to make the company widely and favorably known—2. to create public acceptance for National's representatives in the field—3. to build in the public mind appreciation of the sturdy character

and rugged strength of this 97 year-old mutual life insurance company.

The job of actually selling the public belongs to our career underwriters in the field—and that they have done, and are doing, their job well is attested to by the all-time high record of new production in 1946—and the continuing "high" in 1947.

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